AMENDED RESPONSES TO THE REVISED EXPANDED "IT DECISION" QUESTIONS

submitted by

SAFELAND STORAGE, L.L.C.
ANGELINA TANK FARM FACILITY
ST. JOHN THE BAPTIST PARISH, LOUISIANA
AGENCY INTEREST NUMBER 144688
TEMPO ACTIVITY NUMBER PER20060001

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Safeland Storage, L.L.C. ("Safeland") respectfully submits these amended responses in connection with its Minor Source Permit Application Update dated November 2006 (the air permit application) and its LPDES Water Discharge Permit Application dated October 2006. These amended responses replace the "Responses to the Revised Expanded 'IT Decision' Questions" submitted by Safeland on January 31, 2007.

INTRODUCTION

Safeland proposes to construct a new facility, referred to as the Angelina Tank Farm Facility (the "Facility"), in order to partially satisfy the need for additional tank storage capacity for crude oil and refined products along the Mississippi River in southeast Louisiana. The Facility will also provide storage capacity for biodiesel and ethanol and the feedstocks used to make those products, in light of the growing demand for alternative fuels. After an extensive site selection process — which considered environmental and economic factors — Safeland decided to locate on the property commonly known as the "Angelina Plantation" near Garyville, Louisiana (the "Angelina Site").

Social and Economic Benefits. The Facility will provide significant social and economic benefits to the local community, the State of Louisiana, and the nation. First, experts have concluded that there is a significant need for additional storage capacity for crude and refined products along the lower Mississippi River, and that the proposed Facility will help to partially satisfy the current and projected growth in demand for such storage capacity. They have also concluded that, once operational, the Facility will serve as a necessary component of the nation's energy supply chain, the importance of which will continue to escalate in light of the many challenges associated with today's energy supply.

Second, the Facility provide a tremendous economic boost to the local community and the State. The construction project is expected to cost of approximately $330 million and create an indirect economic impact of approximately $121.7 million in St. John the Baptist Parish and the adjoining River Parishes (St. Charles and St. James Parishes). Almost 3,000 jobs in construction and related industries and businesses are expected to be impacted by the construction project, generating more than $89 million of direct and indirect earnings.

Once operational, the Facility is expected to directly employ approximately 35 persons in its first year of operation, with average annual earnings of approximately $65,000 for operations personnel and $92,500 for persons in management. Direct employment should increase to approximately 55 persons by the tenth year with increased earnings. The Facility is expected to generate an additional 200 to 300 indirect jobs in the immediate region in the early years of operation, increasing to an estimated 1,100 indirect jobs by the tenth year of operation, with average annual earnings over the ten-year period of $27,000 to $31,000 per employee. It is estimated that approximately 92% of the direct and indirect employment and earnings impacts should be realized in St. John Parish.

The Facility will also produce significant tax revenues for the local and state treasuries. The total state income, sales, and excise taxes over the Facility's first ten years of operation are projected to exceed $4.5 million. St. John Parish sales taxes over the same ten-year period are expected to exceed $500,000, and approximately $121,000 in surrounding parishes.

Significantly, depending on the assessed values adopted, the applicability of possible tax exemptions, the final structure of the financing for Facility, and other factors, it is estimated that the Facility will generate as much as $11.4 million in property taxes for St. John Parish in its first year of operation, increasing to more than $14 million in the tenth year. Over the first ten years of operation, the Facility is projected to generate as much as $147 million in new tax revenues for St. John Parish, which can be utilized by the Parish for such social, economic, or other purposes as the Parish deems appropriate. Overall, the total cumulative economic impact from the first ten years of Facility operations is expected to be some $765.7 million.

Third, the Facility will provide needed additional land-based storage capacity, which is preferable to storage on barges for several environmental reasons. At present, because of the shortage of land-based storage capacity, barges in the Mississippi River are often used for storage of substantial amounts of crude oil or other materials. Land-based storage would help avoid the risk of accidents and spills in the river presented by storage on barges. Also, Safeland submits that emissions from tanks at land-based storage facilities are more heavily-regulated than emissions from barges and, therefore, storage on land instead of on barges could benefit the environment on a local and even regional basis.

The Facility will also enhance the security of the property, which will benefit nearby residents. The property is presently a vacant, undeveloped 420-acre tract of land which, unfortunately, has been the site of certain undesirable and perhaps criminal activity. Once operational, the Facility will be completely fenced and will comply with other strict regulatory requirements regarding security, such as the security measures as required under EPA's Spill Prevention, Countermeasures and Control Plan requirements (40 CFR 112.7.g) and the Coast Guard Facility Security Plan requirements (33 CFR 105). These security measures should significantly minimize such undesirable activity and improve the safety and security of the local community.

Further, Safeland submits that the Facility should play an essential role in the effort to control gasoline prices, which will benefit most people that live and work in the United States. Under the law of supply and demand, it is reasonable to conclude that low supplies of gasoline contribute to high gasoline prices. At present, much of the gasoline refined in the United States is spoken for before it is refined, which is evidence that gasoline inventories are low. Refineries along the lower Mississippi River are increasing their refining capacities in order to increase gasoline inventories, and an increase in terminal storage capacity is needed to support the increase in refining capacities. The Safeland Facility will provide a significant amount of this additional storage capacity. As such, Safeland submits that the proposed Facility is a necessary component of the expansion of the nation's gasoline supply system, which should play a part in helping to control gasoline prices "at the pump."

Minimization of Environmental Impacts. At the same time, environmental impacts will be minimized to the maximum extent possible, and the evidence supports the conclusion that the Facility will have little adverse environmental effect. For example:

- The facility will be a minor source of air emissions. Air emissions will be controlled by state-of-the-art emission control devices, several of which exceed the regulatory requirements. For example:

- a thermal oxidizer with a destruction efficiency of 99% will be installed to control organic vapor emissions from marine loading, even though the applicable regulations only require a destruction efficiency 90%;

- the Facility will control emissions from the marine loading of volatile organic compounds ("VOCs") with a true vapor pressure greater than 1.0 psia, whereas the regulations only require such emission controls for the loading of VOC cargos with a true vapor pressure above 1.5 psia;

- three steam generating boilers will be equipped with ultra-low NOx burners, which are not required by the regulations;

- tanks storing volatile chemicals (vapor pressure > 1 psia) will utilize domed external floating roof tanks to provide storage with minimal losses to the atmosphere; and

- all pumps will be electric powered with no emissions from combustion of fuel, except for one diesel pump available for emergency fire water.

- Although not required by applicable regulations, Safeland conducted Toxic Air Pollutant air dispersion modeling of emissions from the Facility. As requested by the Department, and in accordance with the protocol approved by the Department, Safeland modeled emissions of the following TAPs, under what Safeland believes are extremely conservative, worst-case operational scenarios: benzene; biphenyl; and hydrogen sulfide. Significantly, these modeling results demonstrate that Facility emissions will comply with the applicable ambient air standards.

- All waste generated by the Facility, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit, will be transported offsite for disposal at permitted facilities.

- Storm water will be managed in accordance with a Storm Water Pollution Prevention Plan, and will be discharged to ditches along side Highway 61 (Airline Highway) or Highway 44 (River Road), all in accordance with the LPDES program requirements. Storm water discharged to the ditch along Highway 61 will be captured in a retention pond prior to discharge to reduce hydraulic flow.

- Groundwater will be protected in a variety of ways, including use of secondary containment and compliance with all regulatory and permit requirements.

- Significant measures will be taken to protect against negative effects on residential areas. For example, and among many other things:

  - Safeland has intentionally located the storage tanks as close as feasibly possible to the western boundary of the property, adjacent to the Gramercy Alumina facility which is zoned industrial, to maximize the distance between

the operational areas of the Facility and the residences to the east of the property.

- The Facility will fully comply with St. John Parish's buffer zone requirements applicable to the 600-foot area between the Facility and any residential-zoned properties that abut the boundary of the Facility.

- Much of the area within the eastern boundary of the Facility is wooded. Safeland will plant trees, perform landscaping, or take other steps to provide a substantial light and sound barrier along the eastern side of the Facility and to enhance the aesthetics of the Facility and the view from the residential areas.

- Access routes to and from the Facility will be via U.S. Highway 61 (Airline Highway) along the northern boundary of the Facility and Louisiana Highway 44 (River Road) near the southern boundary of the Facility, and will not pass through residential areas and are not expected to create traffic problems.

Community Outreach. Significant steps have been undertaken to inform and educate the local community about the proposed tank farm project. A representative of the project has walked the towns of Garyville and Mt. Airy twice, knocking on doors and meeting with residents to advise them of the type of facility that is being proposed and answer questions. Project representatives have also been in regular contact with Nicki Monica, St. John Parish President, with Allen St. Pierre, the St. John Parish Councilman representing the Garyville/Mt. Airy area, and with other St. John Parish Council Members. Safeland understands there is strong local support for the proposed Facility.

Safeland's responses to the revised expanded "IT Decision" questions follows. As will be shown, the social and economic benefits of the Facility far outweigh any adverse environmental impacts and permitting of the Facility fully comports with Louisiana's public trust doctrine.

Responses to the Revised Expanded "IT Decision" Questions

I. Have the potential and real adverse environmental effects of the proposed facility been avoided to the maximum extent possible? (This question requires the permittee to identify adverse environmental effects, both potential and real.)

RESPONSE: Yes. As shown by the responses in this Section I, the potential and real adverse environmental effects of the proposed facility have been avoided to the maximum extent possible.

A. What are the potential environmental impacts of the permittee's proposed facility?

RESPONSE: The potential environmental impacts of the proposed Facility, and how they will be managed, are as follows:

Waste Generation and Control. All waste generated by the Facility, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit, will be transported offsite for disposal at permitted facilities.

Air. The facility will be a minor source of air emissions. Air emissions will be controlled by state-of-the-art emission control devices, including, domed external floating roof tanks, a thermal oxidizer, a leak detection and repair (LDAR) program, and ultra-low NOx burners. Several of these controls exceed the regulatory requirements. For example:

- a thermal oxidizer with a destruction efficiency of 99% will be installed to control organic vapor emissions from marine loading, even though the applicable regulations only require a destruction efficiency 90%;
- the Facility will control emissions from the marine loading of VOCs with a true vapor pressure greater than 1.0 psia, whereas the regulations only require such emission controls for the loading of VOC cargos with a true vapor pressure above 1.5 psia;
- three steam generating boilers will be equipped with ultra-low NOx burners, which are not required by the regulations;
- volatile organic liquids (vapor pressure >1 psia) will be stored in domed external floating roof tanks, which reduce emissions to a greater degree than fixed roof, internal floating roof, and non-domed external floating tanks; and
- all pumps will be electric powered with no emissions from combustion of fuel, except for one diesel pump available for emergency fire water.

Although not required by applicable regulations, Safeland conducted Toxic Air Pollutant air dispersion modeling of emissions from the Facility. As requested by the Department, and in accordance with the protocol approved by the Department, Safeland modeled emissions of the following TAPs, under what Safeland believes are extremely conservative, worst-case operational scenarios: benzene; biphenyl; and hydrogen sulfide. The modeled results for benzene and hydrogen sulfide were both less than 7.5% of the ambient air standards for those TAPs and, therefore, no further modeling was required. The refined modeling results for biphenyl were less than 75% of the ambient air standard for biphenyl and, therefore, no further modeling was required. Significantly, these modeling results demonstrate that Facility emissions will comply with the applicable ambient air standards. (See EDMS Document No. 36025169).

Wastewater. Wastewaters will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit.

Storm Water. Storm water will be managed in accordance with a Storm Water Pollution Prevention Plan, and will be discharged to ditches along side Highway 61 (Airline Highway) or Highway 44 (River Road), all in accordance with the LPDES program requirements. Storm water discharged to the ditch along Highway 61 will be captured in a retention pond prior to discharge to reduce effluent volume.

Groundwater. Groundwater will be protected in a variety of ways. Secondary containment will be provided for all bulk storage containers and loading racks. All waste generated by the Facility, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit, will be transported offsite for disposal at permitted facilities. Wastewater and storm water will be managed as described in the two preceding paragraphs. All spill prevention countermeasures and controls required by the Oil Spill Prevention Act (OPA 90), the Louisiana Spill Prevention Control and U.S. Coast Guard regulations will be constructed and all procedures adhered to. Employees will be properly trained in applicable operational and safety procedures and activities and spill prevention and control measures. Further, the Department's Water Permits Division issued a Groundwater Certification to Safeland by letter dated March 6, 2007, stating that it has no objection to the project in regard to groundwater contamination issues. (See EDMS Document No. 35778843).

Sanitary Wastewater and Sewer. Sanitary wastewater and sewer service to the Facility will be provided by St. John the Baptist Parish utilities.

Effect on Residential Areas. The facility will be designed and operated to minimize any potential adverse effect on residential areas. For example, any potential adverse effects on the residential area located east of the site will be minimized in a number of ways, including the following:

- Safeland has intentionally located the storage tanks as close as feasibly possible to the western boundary of the property, adjacent to the Gramercy Alumina facility

which is zoned industrial, to maximize the distance between the operational areas of the Facility and the residences to the east of the property.

- The Facility will fully comply with St. John Parish's buffer zone requirements applicable to the 600-foot area between the Facility and any residential-zoned properties that abut the Facility.

- Much of the area within the eastern boundary of the Facility is wooded. Safeland will plant trees, perform landscaping, or take other steps to provide that a substantial light and sound barrier is in place and to enhance the aesthetics of the Facility and the view from the residential areas.

- Access routes to and from the Facility will be via U.S. Highway 61 (Airline Highway) along the northern boundary of the Facility and Louisiana Highway 44 (River Road) near the southern boundary of the Facility, and will not pass through residential areas and are not expected to create traffic problems.

1. What wastes will be handled?

RESPONSE: The following is a general description of the Facility's process and handling of wastes:

The Facility will receive liquid commodities by barge, ship, rail, pipeline, and tanker trucks. Commodities will be stored in above ground storage tanks until further distribution to commerce. Blending of fuel stocks may be performed in some storage tanks. The primary commodities anticipated to be stored and distributed at the Facility include gasoline, light crude oil, heavy crude oil, ethanol, light petroleum distillates, mid-petroleum distillates, heavy residual oils, vegetable oil, and bio-diesel.

Facility infrastructure will include: steam generating equipment used to heat viscous materials in tanks and piping to sustain flow; a wastewater treatment system for the treatment of tank draw downs and other wastewater streams; and diesel powered internal combustion engines for back-up power and pump capacity.

The Facility will utilize a vapor recovery system to reclaim loading vapors. A thermal oxidizer will control air emissions of vapors not collected by the vapor recovery unit.

Storm water runoff from the area north of the Kansas City Southern railroad line will be collected in a storm water retention pond to collect water from rain events to avoid large hydraulic release after significant rain events. Boiler blowdown will be discharged from an internal outfall into the Facility storm water drainage system to the storm water retention pond. Hydrostatic test water from hydrostatic tests performed on cleaned tanks will be discharged into the Facility storm drains that empty into the storm water retention period. The storm water retention pond will discharge to an unnamed ditch along U.S. Highway 61 (Airline Highway) to Hope Canal.

Storm water runoff from the south of the Kansas City Southern rail line will drain via internal ditches; thence to the ditch along side Louisiana Highway 44 (River Road);

thence to the ditch along Highway 54; thence to U.S. Highway 61 to Hope Canal. Hope Canal flows to Dutch Bayou then to Lake Maurepas.

Tank draws, storm water from equipment pads, maintenance washwater, ship/barge bilge, ballast and slop water and Facility tank washwater will be stored in the Facility "slop tank". The water will then be sent to the Facility wastewater treatment plant. The water will be treated by an aerated biological activated sludge treatment followed by solids settling. This treated water will then be routed to the storm water retention pond and discharged via proposed final Outfall 001.

a. Classes of chemicals

RESPONSE: Industrial solid waste, universal wastes, used oil, wastewater treatment sludge, and waste fuels solvents from maintenance and construction activities and commercial and municipal trash from office activities will be generated at the site. The Facility may generate waste petroleum and other flammable organic and plant derived liquids. Theses wastes will be shipped off-site to licensed and permitted facilities.

Wastewater streams containing oil-contaminated water (tank draws, slop oil, bilge, equipment and or washwater) generated on-site will be treated in an on-site wastewater treatment plant and discharged through a permitted outfall.

b. Quantities (hazardous and non hazardous)

RESPONSE: The Facility will not accept hazardous waste from off-site. Bilge and slop oil will be accepted from customer vessels to be treated in the on-site wastewater treatment plant then discharged in accordance with the requirements of the Facility's LPDES permit. Quantities of waste generated on-site are not expected to be significant.

c. Physical and chemical characteristics

RESPONSE: Wastes generated at the Facility are anticipated to be waste petroleum products, construction and demolition materials or debris, and commercial waste from routine office operations (paper, plastic etc.)

d. Hazardous waste classification (listed, characteristic, etc.)

RESPONSE: Waste oil, gasoline, or other materials associated with petroleum or refined petroleum products may be generated on-site, typically as a result of maintenance or similar activities. The materials could be potentially characteristic hazardous wastes for flammability and toxicity.

2. How will they be handled?

a. Treatment

RESPONSE: Oil contaminated wastewater will be treated on-site in an aerobic activated sludge treatment facility followed by solids settling.

b. Storage

RESPONSE: Wastewater will be stored in a slop oil tank prior to treatment in the wastewater treatment plant. Other waste will be stored in dumpsters, drums or other appropriate containers or transferred to tank trucks at the point of generation for off-site disposal.

c. Disposal

RESPONSE: All waste, other than wastewaters treated on site will be disposed off-site at a properly licensed and permitted facility.

3. Sources of waste

a. On-site generation (type and percentage of total handled)

b. Off-site generation (type and percentage of total handled)

RESPONSE: Waste oil, gasoline, or other materials associated with petroleum or refined petroleum products may be generated on-site, typically as a result of maintenance or similar activities. All waste, other than wastewaters treated on site, will be disposed off-site at a properly licensed and permitted facility. No wastes generated off-site will be handled at the Facility except for bilge and slop oil from ships. This waste will be treated in the on-site wastewater treatment facility. The types and percentages of these wastes, which are generally described in Section I.A.1, will vary depending on the activities being conducted at the site, e.g., construction, normal operations, scheduled maintenance, etc.

4. Where will the wastes be shipped if not handled at this site?

RESPONSE: Wastes generated by the Facility will be shipped off-site to licensed and permitted facilities.

5. What wastes will remain on-site permanently?

RESPONSE: No wastes will remain on-site permanently. The Facility is not a solid or hazardous waste landfill or treatment, storage and disposal (TSD) facility. Small amounts of waste may be generated on site from maintenance operations. Wastewaters generated at the site will be treated, where required, in an on-site wastewater treatment plant. Treated water will be discharged through a permitted LPDES discharge outfall.

B. By which of the following potential pathways could releases of hazardous materials from the proposed facility endanger local residents or other living organisms?

1. Air

RESPONSE: Emissions to the atmosphere may be generated through evaporative losses from the storage and transfer of material and from the combustion of fuels in steam generating equipment and prime movers.

Real adverse environmental effects will be avoided by complying with all applicable Federal and State requirements regarding air emissions from the facility. As a new facility, emissions sources will comply with all applicable New Source Performance Standards. In addition, as stated in Section I.A, Safeland will install control devices with a greater efficiency than that required by regulations.

2. Water

RESPONSE: By following all spill prevention requirements of the LDEQ, EPA and Coast Guard, the risk of a significant spill is greatly minimized. In addition, required spill response plans and pre placed response resources will be in place to mitigate any spill that could occur.

3. Soil

RESPONSE: By following all spill prevention requirements of the LDEQ and the EPA, the risk of a significant spill is greatly minimized. In addition, required spill response plans and pre placed response resources will be in place to mitigate any spill that could occur. The Facility will have in place spill containment structures that will prevent any spill to land from affecting local residents.

4. Food

RESPONSE: This Facility will not store or handle any food products nor is it in the immediate vicinity of any food handling facilities. No potential pathways to food are foreseen.

C. What is the likelihood or risk potential of such releases?

RESPONSE: By following all required spill and release regulations of the LDEQ, EPA, and U.S. Coast Guard, the likelihood of releases is unlikely.

Accidental releases from the Facility will be avoided to the maximum extent possible. The Facility will be designed and operated in a manner that minimizes the potential for accidental releases. Safeland will employ a highly-trained staff to operate the Facility. Operations, maintenance, and support personnel will be thoroughly trained in the proper use and operation of the equipment and will be familiar with the potential hazards of operating the facility. Employees will be properly trained in the applicable safety and operational procedures and activities that are standard for this type of facility. Employees will also be trained in applicable industrial hygiene, and public health procedures and standards in accordance with the OSHA regulations, and in the applicable pollution prevention, spill prevention, and control measures including storm water pollution prevention plan requirements.

This combination of a properly designed Facility and thoroughly trained personnel should help minimize the potential for accidental releases.

D. What are the real adverse environmental impacts of the permittee's proposed facility?

1. Short term effects

a. Land area taken out of system

RESPONSE: The short term effect of the proposed Facility will be to occupy and develop approximately 300 acres of fallow agricultural property that is not currently being used for any purpose. The site has been promoted by the Port of South Louisiana for industrial development. As more fully explained in Section IV.A, many factors — such as the size and location of the site, and highway, rail, barge, and pipeline access — make this an ideal site for the proposed Facility. Also, as explained in Section I.A, any potential adverse effects on residential areas east of the Facility have been minimized in a number of ways. Further, as explained in Section IV.B, the site does not involve or affect environmentally sensitive areas.

For these and other reasons, any adverse impacts of the proposed Facility are considered to be minimal.

2. Long term effects

RESPONSE: Any long-term adverse environmental impacts will be minimized by, among other things, proper design and operation of the Facility, the use of air pollution control devices, and adherence to air permit emission limits and other permit and regulatory requirements. Further, as explained in Section I.A, significant steps have been and will be taken by Safeland to avoid any adverse effect on residential areas to the east of the Facility. For these reasons, long-term adverse environmental impacts are expected to be insignificant.

II. Does a cost benefit analysis of the environmental impact costs balanced against the social and economic benefits of the proposed facility demonstrate that the latter outweighs the former? (This question requires the permittee to perform a cost-benefit analysis, or at least a quantitative indication of the economic benefits and a qualitative description of the negative impacts expected from the permittee's operation. The latter should come from the answer to question I.)

RESPONSE: Yes. As shown by the responses in this Section II, a cost benefit analysis demonstrates that the social and economic benefits of the proposed Facility greatly out weigh any environmental impact costs of the facility. As explained in Section I, the proposed Facility will have little, if any, adverse impact on the environment. On the other hand, it will bring substantial social and economic benefits to the local community and the State of Louisiana.

A. How was it determined that this facility was needed?

1. Local or regional survey

2. On-site or off-site needs

3. Regional solid waste management benefit

4. Generic survey of solid waste needs (compatibility with master plan)

RESPONSE: The following support the conclusion that there is a significant need for the proposed Facility:

- Safeland retained Simmons & Company International ("Simmons"), a nationally recognized, energy-focused investment banking firm, which conducted extensive market research related to the commercial and economic need for the Facility, as well as the regional supply demand dynamics needed to justify this project. Simmons engaged Muse, Stancil & Co. ("Muse Stancil"), a global consulting firm specializing in the energy industry, to perform additional research and analyses relating to the proposed Facility. Simmons, with concurrence from Muse Stancil, has concluded that:

  - There is a significant need for additional storage capacity for crude and refined products along the lower Mississippi River;

  - The proposed Safeland Facility would help to only partially satisfy the current and projected growth in demand for such storage capacity;

  - More specifically, record Gulf Coast refining margins have provided refiners with the economic incentive to expand capacity, which Simmons expects will require incremental storage of crude and refined products;

  - Additionally, accelerated usage of alternative fuels, such as ethanol and biodiesel, and their associated transportation and logistical issues, should also contribute to increased demand for terminaling and storage of intermediaries and refined products along the lower Mississippi River; and

- Ultimately, the proposed Facility would serve as a necessary component of the nation's energy supply chain, the importance of which will continue to escalate in light of the many challenges associated with today's energy supply.

See the letter from Simmons addressed to the Department dated June 1, 2007, and the brochures regarding Simmons and Muse Stancil, which are attached in Appendix A.

- Safeland has also been informed by Inspectorate, a major worldwide inspection company that performs quantity and quality surveys of petroleum products for the petroleum industry, that:

  - There is a need for additional liquid petroleum storage capacity in South Louisiana along the Mississippi River;

  - The proposed Facility will only start to fill the current demand for additional petroleum storage capacity in South Louisiana;

  - There has been an ever-increasing call for storage from major oil company / trading company clients of Inspectorate that move liquid petroleum cargo in the area from Baton Rouge to the mouth of the Mississippi River, and Inspectorate has come up empty-handed when it has placed inquiries to storage facilities about the availability of additional storage for its clients;

  - Considering the projected increase in offshore crude production, and the expansion plans of several major refineries without a corresponding increase in their storage capacity for incoming and outgoing product, the demand for liquid petroleum storage will only continue to increase; and

  - The shortage of liquid petroleum barges, which are sometimes used for temporary floating storage, has also been instrumental in the growing demand for land-based liquid petroleum storage.

See the letter from Inspectorate to Paul Beaullieu with Safeland, dated May 31, 2007, which is attached in Appendix B.

- The Port of South Louisiana (the "Port") has provided Safeland with a copy of a "Petroleum Storage and Terminal Facility Study" (the "Feasibility Study") prepared for the Port by Kushner LaGraize, L.L.C,. a copy of which is attached in Appendix C. Although the Feasibility Study is undated, the Port has advised Safeland that it was prepared for the Port in 2005.

The Feasibility Study states, among other things, that (paraphrasing):

- It consisted of a market analysis to determine the feasibility of the development of a petroleum storage facility on the Mississippi River within the Port's jurisdiction, the capacity of which could be expanded to 10 million plus barrels. The facility evaluated would provide storage of crude oil to be

used by area refineries, and storage, blending, and processing of intermediates and refined petroleum products for the refineries and the many oil trading companies that operate within the Port's jurisdiction. [Note: The Port stretches approximately 54 miles along the Mississippi River and includes facilities in St. Charles, St. John the Baptist, and St. James Parish. The proposed Safeland Facility is within the Port's jurisdiction.].

- There are nine refineries located on the river between the mouth of the Mississippi River and Baton Rouge, including Motiva Enterprises in Convent (St. James Parish), Valero and Motiva Enterprises in Norco (St. Charles Parish), and Marathon in Garyville (St. John the Baptist Parish).

- There are also nearly 30 petroleum trading companies that do business within the Port's jurisdiction. These trading companies buy and sell crude and refined products. Some have their own storage facilities, while most simply lease storage space and services from terminal facilities.

- The market analysis included extensive interviews with personnel of potential users of the facility such as refineries, trading companies, and chemical plants along the river. These interviews were the primary research for the study. Other information regarding the market was compiled from pre-existing information from published sources and the internet.

- Significantly, the Feasibility Study found that interviews and preliminary research indicated that "an overwhelming consensus of interviewees believe there is a shortage of tank storage on the Mississippi River" and, because of this, many of those interviewed expressed their opinion that a terminal developed within the Port's jurisdiction would be well-received and their respective companies might be users of such a facility.

Notably, the Feasibility Study also fully supports Safeland's site selection analysis set out in Section IV.A.

Considering the foregoing, Safeland submits that a significant need exists for the proposed Facility, and anticipates a strong demand for the Facility's storage capacity for years to come.

B. What will be the positive economic effects on the local community?

1. How many permanent jobs will be created?

2. What is the expected annual payroll?

3. What is the expected economic multiplier from item B2?

4. What is the expected tax base and who will receive benefits?

RESPONSE: The facility will provide important social and economic benefits to St. John Parish and the adjoining River Parishes (St. Charles and St. James Parishes), and to the State of Louisiana.

Bob Folse, an expert in estimating the economic impact of business and facilities, has determined the expected economic impact of the new Facility. A copy of Bob Folse's report, entitled "Economic Impact Assessment — Proposed Angelina Tank Farm, St. John the Baptist Parish, Louisiana," is attached hereto in Appendix D. The expected economic multipliers are set out in the report, and the findings are summarized in this section.

Expected Economic Impact of the Construction Project

The construction of the Facility will have significant economic impact both locally and for the State of Louisiana. Safeland anticipates that construction of the new Facility will be a one to two year period and will cost approximately $330 million. Although Safeland is not certain at this time how many persons will be directly employed in the construction of the Facility, it is estimated that:

- almost 3,000 jobs in construction and related industries as well as in local retail and service businesses will be impacted by the construction project;[1]
- the construction project will have an indirect economic impact of some $121.7 million in St. John Parish and the adjoining River Parishes, with approximately 917,000 of sales tax revenues being realized by St. John Parish; and
- State and local tax revenues generated by the construction project are projected to total approximately $2.5 million.

Expected Economic Impact of Facility Operations

The Facility will have a tremendous economic impact on the local community and the State. For example:

- The facility is expected to directly employ approximately 35 persons — 10 in management with estimated average annual earnings of $92,500, and 25 in operations with estimated average annual earnings of $65,000, with a total annual payroll of more than $2.5 million — in its first year of operation. Direct employment is expected to increase to approximately 55 persons, at higher compensation, with a total annual payroll of more than $5 million, by the tenth year of operation.
- The Facility is expected to generate or support 226 indirect jobs in the region with average annual earnings of approximately $27,000 in its first year of operation, increasing to more than 1,100 indirect jobs with average annual earnings of approximately $31,000 by the tenth year of operation. It is estimated that

[1] As stated in Bob Folse's report, attached hereto as Appendix A, employment impact includes the creation of new jobs and the generation of economic support for the retention of existing jobs in all linked or impacted industries to varying degrees.

approximately 92% of the direct and indirect employment and earnings impacts should be realized in St. John Parish.

- State income, sales, and excise taxes resulting from Facility operations are expected to be approximately $195,000 in the first year of operation, growing to more than $700,000 in year ten, with a cumulative total of more than $4.5 million during the ten-year period.

- St. John Parish sales taxes from Facility-related spending are expected to be approximately $107,000 in the first year of operation, increasing to more than $500,000 in the tenth year of operation. In addition, depending on the assessed values adopted, the applicability of potential tax exemptions, the final structure of the financing for Facility, and other factors, it is estimated that the Facility will generate as much as $11.4 million in property taxes for St. John Parish in its first year of operation, increasing to more than $14 million in the tenth year of operation. Cumulatively, the Facility is projected to generate as much as $149 million in new tax revenues for St. John Parish during its first ten years of operation.

- Sales taxes from Facility-related spending in other River Parishes (St. Charles and St. James) are expected to be approximately $37,000 in the first year of operation, increasing to more than $121,000 in the tenth year of operation, resulting in a cumulative total of approximately $839,000 in new sales taxes for these parishes during this ten-year period.

- Overall, the total economic impact from the first ten years of Facility operations is expected to be some $765.7 million.

The positive employment and earnings impacts will primarily benefit the citizens of St. John Parish and the adjoining River Parishes. The substantial new tax revenues can be used for social, economic, or other purposes or programs as deemed appropriate by State or Parish elected officials. For its part, Safeland will make an effort to hire and purchase goods and services locally where possible, and will strive to be a good corporate citizen and a positive presence to the local community. As a result, significant economic and social benefits will be provided by the new Facility.

C. What will be the potential negative economic effects on the local community?

RESPONSE: No negative economic impacts are anticipated as a result of construction or operation of the proposed Facility. The Facility will not be displacing any similar or competing business in Louisiana. Safeland will strive to hire and purchase goods and services locally, and its operations will result in a significant increase in jobs, income, and tax revenues which will benefit the local community and the State.

1. What are the possible effects on property values?

RESPONSE: The Facility is not expected to have any adverse effects on property values. The property is zoned I-3 (Industrial-3). Properties zoned residential lie to the

east of the site. Safeland understands the site is subject to a parish buffer zone requirement of 600 feet wherever it abuts Residential-1 property, and will fully comply with the buffer zone requirements.

Moreover, as explained in Section I.A, the Facility will be designed and operated to minimize or eliminate any possible adverse affects on any residences located east of the Facility. In light of these facts, the minimal impact of the Facility from an environmental standpoint, and the significant positive social and economic impact of the Facility, it is anticipated that the Facility may have a positive impact on property values.

2. Will public costs rise for:

a. Police protection

RESPONSE: No additional police protection is anticipated for the Facility. The Facility will provide on-site security personnel to address all security needs.

b. Fire protection

RESPONSE: No additional fire protection at a public cost will be required. The Facility will be equipped with its own fire protection equipment and personnel.

c. Medical facilities

RESPONSE: No increased need for medical facilities outside of the current capacities is anticipated.

d. Schools

RESPONSE: No impact on local schools is anticipated. The nearest school is believed to be the Garyville-Mt. Airy Magnet School located at 240 Highway 54, in Garyville, approximately 1½ miles from the Angelina Site.

e. Roads (also see below)

RESPONSE: No increased public costs are anticipated to arise. Primary traffic flow to and from the Facility will utilize U.S. Highway 61 (Airline Highway) and Louisiana Highway 44 (River Road). Both highways were designed to meet industrial traffic needs and serve the local industrial community. Traffic volume in not expected to increase to a level requiring any modifications to these roads.

3. Does the prospective site have the potential for precluding economic development of the area by business or industries because of risk associated with establishing such operations adjacent to the proposed facility?

RESPONSE: The property is zoned I-3 (Industrial-3) and is bordered on the west by Gramercy Allumina, on the south by the Mississippi River, and on the north by U.S. Highway 61 (Airline Highway). The Facility will be designed and operated to minimize

or eliminate any possible adverse affects on any residences located east of the Facility or those desiring to establish operations near the proposed facility. The area is utilized primarily for heavy industrial activity. As a result, Safeland expects that the Facility will not have any potential for precluding economic development of the area by business or industries but, on the contrary, will enhance economic development of the area and provide substantial job opportunities to local residents.

D. Was transportation a factor in choosing the proposed site?

RESPONSE: As explained in Section IV, transportation was one of several factors in choosing the proposed site. Truck (highway), rail, barge, and pipeline access were four criteria in the site selection process.

1. What mode(s) of transportation will be used for the site?

a. Truck ✓
b. Rail ✓
c. Barge ✓
d. Other ✓ **(Pipeline)**

RESPONSE: Crude oil and other materials to be stored at the Facility will be received by truck, rail, barge, and pipeline.

- Truck access to and from the Facility will be via U.S. Highway 61 (Airline Highway) along the northern boundary of the Facility and Louisiana Highway 44 (River Road) near the southern boundary of the Facility.

- Two railroad lines — the Kansas City Southern railroad line and the Canadian National/Illinois Central railroad line — cross the site, at locations that are consistent with the planned operation of the Facility.

- The site has deep water draft to accommodate customers' barges and other vessels. The site is located on a bend in the Mississippi River and, as a result, the river currents along the site boundary are relatively calm and suitable for docking of vessels.

- Four crude oil or petroleum product pipelines run across the northern portion of the site — the Valero Motiva pipeline, the Plantation pipeline, the Colonial pipeline, and the Marathon pipeline. The Valero Motiva and Marathon pipelines will provide a direct connection to two of the Facility's primary target customers for transportation of materials. Safeland does not currently have contracts in place with the pipeline owners which would allow Safeland to use the pipelines. However, because transfers of commodities to and from the proposed Safeland facility through these pipelines will benefit the potential costumers/pipeline owners, Safeland anticipates that agreements with the pipeline owners facilitating these transfers will be entered into once the facility is operational, perhaps sooner.

2. What geographical area will it serve?

RESPONSE: As explained in Section IV, it is expected that the Facility will provide storage capacity primarily to petrochemical facilities and petroleum trading companies located along the lower Mississippi River. As many as seven major oil refineries are situated between Baton Rouge and the Gulf of Mexico and sufficient storage capacity is not currently available to meet their demands. In particular, the Facility will target four major oil refineries as potential customers — Valero located near river mile marker 126, Motiva Enterprises-Norco located near river mile marker 127, Marathon located near river mile marker 140, and Motiva Enterprises-Convent located near river mile marker 168. The Facility may also serve regional and international markets.

3. By how much will local road traffic volume increase?
a. Can local roads handle the traffic volume expected?
b. Can local roads handle the weight of trucks?

RESPONSE: The number of heavy trucks entering and exiting the Facility during construction will vary greatly depending on the phase of the construction project. It is estimated that during peak periods of dirt and concrete work, approximately 20 trucks per day may deliver materials to the Facility via U.S. Highway 61 (Airline Highway). The number of truck per day is estimated to be three to four during other phases of construction. Construction material will also be delivered to the site by rail.

No traffic or road problems during operations are anticipated. Much of the materials will be transported to and from the Facility by rail or barge. Safeland estimates that one to twenty heavy trucks per day may enter and exit the Facility during operations. Although no traffic problems are anticipated, if necessary, mitigating measures will be used such as the employment of a local police officer to control traffic entering and exiting the site during high-traffic periods. Heavy truck traffic will be via U.S. Highway 61 (Airline Highway) and will not pass through residential areas. Truck traffic will consist of routine vehicles and trucks within highway standards. U.S. Highway 61 is adequate to handle this truck traffic in terms of both volume and weight.

4. What are the long-term expectation of the proposed site?
a. Longevity of the facility

RESPONSE: While certain studies for the facility are based on a 20-year life for the dock, through proper construction and maintenance, the facility may operate for significantly longer. There is no currently anticipated closure date for the facility.

b. Who owns the facility?

RESPONSE: Safeland Storage, L.L.C.

c. Are the owners financially backed by others?

RESPONSE: Safeland Storage, L.L.C. is not financially backed by others, although Safeland may enter into agreements with partners in the future. Certain construction costs may be offset by funding from the Port of South Louisiana through grants in the Port Priority Program. It is expected that the Port of South Louisiana will receive revenues from the Facility through throughput fees associated with activities at the Facility of otherwise.

d. When is closure anticipated?

RESPONSE: This question contemplates a waste management facility rather than a petroleum storage tank facility such as the proposed Facility. Nevertheless, as stated in Section II.D.4.a, Safeland anticipates that the Facility will be in operation for many years. Because no waste material will be treated or disposed of on site, a waste-related closure at the site is not applicable.

e. Who is responsible for the site after closure?

RESPONSE: This question contemplates a waste management facility rather than a petroleum storage tank facility such as the proposed Facility. No disposal facilities will be located on-site that would require post closure care.

f. What assurances will there be that the site will be closed in accordance with the plan?

RESPONSE: This question contemplates a waste management facility rather than a petroleum storage tank facility such as the proposed Facility. No disposal facilities that would require a closure plan will be located on site.

g. What financial assurances will be established to demonstrate the ability to handle problems after closure?

RESPONSE: This question contemplates a waste management facility and not a petroleum storage tank facility such as the proposed Facility. No disposal facilities are planned that would require financial assurance to demonstrate ability to handle closure issues.

h. Who certifies that the site is properly closed?

RESPONSE: This question contemplates a waste management facility and not a petroleum storage tank facility such as the proposed Facility. No disposal facilities will be located on site that would require a certification of closure.

i. **How are people protected from unwittingly buying land after closure?**
   1. **Is the closed facility recorded in the deed?**
   2. **What future uses are possible?**

RESPONSE: This question contemplates a waste management facility rather than a petroleum storage tank facility such as the proposed Facility. No disposal facilities that would require a closure plan will be located on site. The property will likely continue to be used for industrial or commercial purposes if and when Safeland ceases operations at the site, although it is possible that the property could be used for any approved industrial, commercial, residential, or agricultural use at that time.

III. Are there alternative projects which would offer more protection to the environment than the proposed facility without unduly curtailing nonenvironmental benefits? (This question requires the permittee to demonstrate having considered alternate technologies.)

RESPONSE: No. As shown by the responses in this Section III, there are no alternative projects which would offer more protection to the environment than the proposed facility without unduly curtailing nonenvironmental benefits.

The proposed facility is for land-based bulk storage of crude oil, petroleum products, and ethanol and biodiesel and their feedstocks. There are few, if any, alternative methods of storing these substances in bulk. One alternative, however, is storage on barges in the Mississippi River. As stated in the letter by Inspectorate (Appendix B hereto) and in the Feasibility Study issued to the Port (Appendix C hereto, page 7), barges are often used for storage. Land-based storage would help avoid the risk of accidents and spills in the river presented by storage on barges. Also, Safeland submits that emissions from tanks at land-based storage facilities are more heavily-regulated than emissions from barges and, therefore, storage on land instead of on barges could benefit the environment on a local and even regional basis.

Aside from land-based storage versus storage on barges, the alternative projects in this case relate primarily to the methods of minimizing the emissions from and environmental impacts of the proposed facility.

The Facility will be designed and operated in a manner which will minimize adverse environmental effects. It will be a state-of-the-art facility and will utilize methods and equipment that will provide the greatest degree of environmental protection, as opposed to potentially less expensive alternatives. For example, as described in Section I.A:

- The facility will be a minor source of air emissions. Air emissions will be controlled by state-of-the-art emission control devices, several of which exceed the regulatory requirements. For example:
  - a thermal oxidizer with a destruction efficiency of 99% will be installed to control organic vapor emissions from marine loading, even though the applicable regulations only require a destruction efficiency 90%;
  - the Facility will control emissions from the marine loading of VOCs with a true vapor pressure greater than 1.0 psia, whereas the regulations only require such emission controls for the loading of VOC cargos with a true vapor pressure above 1.5 psia;
  - volatile organic liquids (vapor pressure >1 psia) will be stored in domed external floating roof tanks, which reduce emissions to a greater degree than fixed roof, internal floating roof, and non-domed external floating tanks; and
  - three steam generating boilers will be equipped with ultra-low NOx burners, which are not required by the regulations.

- All waste generated by the facility, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit, will be transported offsite for disposal at permitted facilities, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit.

- Storm water will be managed in accordance with a Storm Water Pollution Prevention Plan, and will be discharged to ditches along side Highway 61 (Airline Highway) or Highway 44 (River Road), all in accordance with the LPDES program requirements. Storm water discharged to the ditch along Highway 61 will be captured in a retention pond prior to discharge.

- Any potential adverse effect on the residential area located east of the site has been minimized in a number of ways, as described in the response to Question I.A.

A. Why was this technology chosen (e.g., incineration over landfilling?)

1. Are other technologies available?

2. Describe the engineering design and operating techniques used to compensate for any site deficiencies.

RESPONSE: The fixed roof tanks, domed external floating roof tanks, thermal oxidizer, and "ultra low NOx burners" described in Safeland's air permit application are the preferred technologies and have been proven to be effective at similar facilities throughout the United States. The thermal oxidizer with a destruction efficiency of 99% and "ultra low NOx burners" exceed the requirements and are more expensive than other alternatives allowed under the applicable regulations, but nevertheless will be utilized to minimize Facility emissions.

Flood protection and drainage measures, including the construction of a retention pond, will minimize the risk of flooding or other adverse effects on neighboring properties. The flood control and drainage plans will meet all applicable requirements.

As stated in Section I.A, the tanks and other operational areas of the Facility will be located as close as feasibly possible to the western boundary of the property to minimize effects on any residential areas east of the site, although it would be more advantageous to Safeland to construct the Facility more to the center of the property. The Facility will fully comply with St. John Parish's buffer zone requirements applicable to the 600-foot area between the Facility and any residential-zoned properties that abut the east boundary of the property.

Safeland submits that no alternative project layouts or designs would offer more protection to the environment without unduly curtailing nonenvironmental benefits.

B. Is the proposed technology an improvement over that presently available?

RESPONSE: As stated, the Facility will be a state-of-the-art land-based storage tank facility. It will employ proven technologies to control air emissions, such as domed external floating roof tanks and thermal oxidizers. Although these technologies may not be an improvement over those presently available, they are the preferred technologies and have been proven to be effective at similar facilities throughout the United States.

C. Describe the reliability of technology chosen.

1. **Past experiences.**
2. **Environmental Impacts**

RESPONSE: Fixed roof tanks, domed external floating roof tanks, thermal oxidizers, and "ultra-low NOx burners" have been in use at similar facilities throughout the United States for many years. Experience has demonstrated these control devises to be reliable and effective technologies for controlling air emissions at these types of facilities.

Environmental impacts of the Facility will be effectively minimized by the means described elsewhere in these responses. See, e.g., the response to Question III. The Facility is expected to have little or no adverse environmental effect.

D. Describe the sequence of technology used from arrival of wastes to the end process at the facility (flow chart).

1. **Analysis of waste**
2. **Unloading**
3. **Storage**
4. **Treatment**
5. **Monitoring**
6. **Closure**
7. **Post-closure**
8. **Disposal**
9. **Any residuals requiring further handling.**

RESPONSE: This question is not applicable because the Facility is not a waste treatment, storage, or disposal facility. No wastes will be received at the Facility except for bilge and slop oil (which are wastewaters lightly contaminated with hydrocarbons) which, as a convenience and service to customers, will be accepted from customers' vessels and treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit. A general process description is provided in the response to Question I.A.1.

E. Will this facility replace an outmoded/worse polluting one?

RESPONSE: The Facility will be a new land-based storage tank facility intended to satisfy the projected demand for storage. Although it will not replace an outmoded

facility, as stated, it will be a state-of-the-art facility designed, equipped, and operated to minimize adverse environmental impacts to the maximum extent possible.

F. What consumer products are generating the waste to be disposed? Are there alternative products that would entail less hazardous waste generation?

RESPONSE: This question contemplates a waste management facility rather than a storage tank facility such as the Facility. No waste will be disposed of at the Facility and, as explained, the Facility will employ the best available pollution control methods and technology.

IV. Are there alternative sites which would offer more protection to the environment than the proposed facility site without unduly curtailing nonenvironmental benefits? (This is the question that deals directly with siting criteria.)

RESPONSE: No. As shown by the responses in this Section IV, there are no alternative sites that would offer more protection to the environment than the proposed site without unduly curtailing nonenvironmental benefits.

A Why was this site chosen?

1. Specific advantages of the site;

2. Were other sites considered and rejected?

3. Is the location of the site irrevocable; i.e., would denial of permit based on site preclude the project?

RESPONSE: Safeland focused its search for potential sites on a stretch of the lower Mississippi River approximately 30 miles in length, lying generally between river mile marker 130 and river mile marker 160, for several reasons, including the following:

- Safeland determined that a there is significant need for additional petroleum storage capacity along the lower Mississippi River in southeast Louisiana. As many as seven major oil refineries are situated between Baton Rouge and the Gulf of Mexico, and many petroleum trading companies do business in that area, and sufficient storage capacity is not currently available to meet their demands.

- It is also critical that the Facility be located north of the Bonnet Carre Spillway, in order to avoid potential storm surges and flooding from tropical storms and hurricanes.

- Four major oil refineries — Valero located near river mile marker 126, Motiva Enterprises-Norco located near river mile marker 127, Marathon located near river mile marker 140, and Motiva Enterprises-Convent located near river mile marker 168 — are undergoing major expansions of their refining capacity without corresponding expansion of their storage capacities. These four refineries will be significant target customers of the proposed Facility. It is essential that the Facility be centrally-located between these potential customers, in light of the shipping and related costs to these customers should they use the Facility for their storage needs. Safeland, therefore, evaluated the available industrial sites situated not more than 35 river miles upriver from the Valero refinery, and not more than 35 river miles downriver from the Motiva Enterprises–Convent refinery, i.e. all available sites situated between river mile markers 130 and 160.

This 30-mile stretch of the Mississippi River lies within the jurisdiction of the Port of South Louisiana, which maintains information regarding available sites within its jurisdiction. Safeland obtained information from the Port regarding all available industrial sites within this 30-mile stretch of the river — a total of 13 available sites — and evaluated all of those sites as a possible location for the proposed Facility.

Site Selection Criteria

To be suitable for the proposed Facility, potential sites had to meet certain criteria, including:

- At least 200 acres of usable property;
- At least 2,000 feet of river frontage for dock facilities;
- Deep water (at least 45 feet) draft to accommodate customers' vessels;
- Proximity to state or interstate highways for truck access;
- Rail access;
- Existing crude oil or petroleum product pipelines on the property; and
- Adequate availability of infrastructure, such as electricity, natural gas, sewage service, and potable water supply.

Further, sites that satisfied the required criteria might nevertheless be eliminated from consideration for various reasons, such as:

- Zoning or buffer zone requirements that did not allow development of the proposed Facility, so that rezoning or amendment of the buffer zone requirements would be necessary;
- Location of the site on the west bank of the Mississippi River, considering that all four of the Facility's primary target customers — Valero, Motiva Enterprises–Norco, Marathon, and Motiva Enterprises–Convent — are located on the east bank of the river, and therefore development of the Facility on the east bank of the river would greatly ease highway, rail, and pipeline access to those facilities;
- Total acreage of the site being materially more than is required for the proposed Facility, so that Safeland would either be required to purchase more acreage than necessary or obtain approval of the subdivision of the property in order to develop the facility; or
- Location of the site north of river mile marker 150. River pilot changes on the Mississippi River are required every 50-miles. It is competitive advantage for the Facility to be located south of river mile marker 150 — the first river pilot change within the target area — so that customers' vessels will not be subject to the delays and expense involved in making such a change.
- Physical characteristics of the property — such as the amount of batture or configuration of the tract — that detract from its suitability for the proposed Facility.

All sites evaluated appeared to have adequate availability of infrastructure, such as electricity, natural gas, sewage service, and potable water supply. They differed, however, with respect to other criteria.

Sites Considered But Not Selected

The Coleman Site, St. Charles Parish— River Mile Marker 131

The Coleman site consisted of approximately 2,850 acres of land, with 5,770 feet of river frontage. The Union Pacific railroad line, and Louisiana Highways 18 and 3127, crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- No crude oil or petroleum product pipelines were present on the site;
- The site was subject to a 2,000-foot buffer zone requirement, which greatly limited its use as a storage facility;
- The site was located on the west bank of the Mississippi River, i.e. on the opposite side of the river from the Facility's primary target customers;
- The site contained significantly more acreage than required for the proposed Facility;
- The site had more than 350 acres of batture, which would be largely unusable because, among other reasons, it would potentially be flooded when the river was high. Thus, Safeland would be paying for a significant amount of property that it could not use. Also, the large batture area would require construction of a longer dock and longer pipelines from the dock to the storage tank area of the facility, which would materially increase the cost, difficulty, or inconvenience of construction, operation, and maintenance of the facility.

The Killona Site, St. Charles Parish — River Mile Marker 131.5

The Killona site consisted of approximately 648 acres of land, with 4,000 feet of river frontage. The Union Pacific railroad line, and Louisiana Highways 18 and 3127, crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- No crude oil or petroleum product pipelines were present on the site;
- The site was located on the west bank of the Mississippi River;

- An unacceptable number of acres consisted of batture, which would be largely unusable because. Also, the large batture area would require construction of a longer dock and longer pipelines from the dock to the storage tank area of the facility, which would materially increase the cost, difficulty, or inconvenience of construction, operation, and maintenance of the Facility;

- This was a narrow strip of land that was considered unsuitable for the proposed Facility; and

- Safeland understands this site is subject to a 2,000 foot buffer zone requirement, which limits the use of much of this site.

The Glendale Hymelia Plantation Site, St. Charles and St. John Parishes — River Mile Marker 132

The Glendale Hymelia Plantation site consisted of approximately 2,500 acres of land, with 6,500 feet of river frontage. The Union Pacific railroad line, and Louisiana Highways 18 and 3127, crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- No crude oil or petroleum product pipelines were present on the site;

- The site was located on the west bank of the Mississippi River;

- The site contained significantly more acreage than required for the proposed Facility;

- An unacceptable number of acres consisted of batture, which would be largely unusable because, and would require construction of a longer dock and longer pipelines from the dock to the storage tank area of the facility, which would materially increase the cost, difficulty, or inconvenience of construction, operation, and maintenance of the Facility.

Goldmine Plantation Site, St. John Parish — River Mile Marker 138

The Goldmine Plantation site consisted of approximately 915 acres of land, with 4,780 feet of river frontage. Louisiana Highway 18 crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site did not have access to any railroad lines;

- No crude oil or petroleum product pipelines were present on the site; and

- The site was located on the west bank of the Mississippi River.

The Alliance Site, St. John Parish — River Mile Marker 141

The Alliance site consisted of approximately 750 acres of land. The Union Pacific railroad line, and Louisiana Highways 18 and 3127, crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site had only 1,700 feet of river frontage;
- No crude oil or petroleum product pipelines were present on the site;
- The site was located on the west bank of the Mississippi River; and
- This was a narrow strip of land that was considered unsuitable for the proposed Facility.

The Whiterose Plantation Site, St. John Parish — River Mile Marker 141.5

The Union Pacific railroad line, and Louisiana Highways 18 and 3127, crossed the Whiterose Plantation site. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site contained only 130 acres of land;
- The site had only 854 feet of river frontage;
- No crude oil or petroleum product pipelines were present on the site;
- The site was located on the west bank of the Mississippi River; and
- This was a narrow strip of land that was considered unsuitable for the proposed Facility.

The Willow Bend Site, St. John Parish — River Mile Marker 142

The Willow Bend site consisted of approximately 2,200 acres of land, with 6,000 feet of river frontage. The Union Pacific railroad line, and Louisiana Highways 18 and 3127, crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- No crude oil or petroleum product pipelines were present on the site;
- The site was located on the west bank of the Mississippi River; and
- The site contained significantly more acreage than required for the proposed Facility.

The Hope Plantation Site, St. John Parish — River Mile Marker 143

The Hope Plantation site consisted of approximately 283 acres of land. The Canadian National/Illinois Central railroad line, and Louisiana Highway 44, crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site had only 1,500 feet of river frontage;
- No crude oil or petroleum product pipelines were present on the site; and
- An unacceptable number of acres appeared to consist of batture.

The Whitney/Formosa Plantation Site, St. John Parish — River Mile Marker 144

The Whitney/Formosa Plantation site consisted of approximately 2,000 acres of land and had more than 2,000 feet of river frontage. The Union Pacific railroad line and Louisiana Highway 18 crossed the property.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site did not have deep water (at least 45 feet) draft to accommodate customers' vessels;
- No crude oil or petroleum product pipelines were present on the site;
- The site was located on the west bank of the Mississippi River; and
- The site contained significantly more acreage than required for the proposed Facility.

The Hester Plantation Site, St. James Parish — River Mile Marker 152

The Hester Plantation site had 6,000 feet of river frontage. The Canadian National/Illinios Central railroad line, and Louisiana Highways 44 and 3125, crossed or were proximate to the site. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site contained only 50 acres of land;
- No crude oil or petroleum product pipelines were present on the site;
- This was an irregular shaped tract of land that was considered unsuitable for the proposed Facility; and
- The property was situated north of river mile marker 150 and, therefore, a river pilot change would be required.

The Welham Marathon Site, St. James Parish — River Mile Marker 154

The Welham site consisted of approximately 747 acres of land and had 9,550 feet of river frontage. The Canadian National/Illinois Central railroad line and Louisiana Highway 44 crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- No crude oil or petroleum product pipelines were present on the site;
- An unacceptable number of acres appeared to consist of batture; and
- The property was situated north of river mile marker 150 and, therefore, a river pilot change would be required.

The Zerangue/Cabonocey Site, St. James Parish — River Mile Marker 157

The Zerangue/Cabonocey site consisted of approximately 800 acres of land. The Union Pacific railroad line, and Louisiana Highways 18 and 3127 crossed the property. It was not determined with certainty whether the site had deep water draft.

The site was eliminated from consideration, however, for several reasons, including the following:

- The site had only 1,150 feet of river frontage;
- No petroleum product pipelines were present on the site;
- The site was located on the west bank of the Mississippi River; and
- The property was situated north of river mile marker 150 and, therefore, a river pilot change would be required.

The Angelina Site

The Angelina Site was selected as the preferred site for the proposed facility for a number of reasons. The Angelina Site was the only site that met all of the required criteria, had virtually none of the "negatives" associated with the other sites, and had several positive aspects that were not available at any other site. For example:

- The Angelina Site is located at river mile marker 144, on the east bank of the Mississippi River, which is an ideal, central location with respect to its primary targeted customers, all of which are also situated on the east bank of the river. The site is only approximately 2 river miles north of the Marathon refinery, approximately 18 river miles north of the Valero and Motiva Enterprises-Norco refineries, and approximately 24 river miles south of the Motiva Enterprises-Convent refinery.

- The Angelina Site consists of approximately 423 acres. More than 200 of the 423 acres of the site are outside of the required buffer zone area, are outside of the batture area, are not delineated as jurisdictional wetlands, and are already cleared of trees. The site, therefore, satisfies the criteria of having at least 200 acres of usable property, but does not contain more acreage than is necessary for the proposed Facility.

- The site has approximately 2,150 feet of river frontage;

- The site has deep water draft to accommodate customers' vessels;

- The site is located on a bend in the Mississippi River and, as a result, the river currents along the site boundary are relatively calm, and suitable for docking of vessels;

- The site has direct access to two highways, U.S. Highway 61 (Airline Highway) which borders the site on the north and Louisiana Highway 44 (River Road) which crosses the southern portion of the site;

- Two railroad lines — the Kansas City Southern railroad line and the Canadian National/Illinois Central railroad line — cross the site, at locations that are consistent with the planned operation of the Facility. The Angelina site was the only site that had access to two railroad lines;

- Four crude oil or petroleum product pipelines run across the northern portion of the site — the Shell pipeline, the LoCap pipeline, the Bengal pipeline, and the Marathon pipeline. It is believed that the Facility will have access to all four of these pipelines, and that all four pipelines are owned in part by two of the primary target customers of the Facility. No other site evaluated by Safeland had access to any crude oil and petroleum product pipelines;

- The site is located south of the 150 river mile marker and, therefore, an additional river pilot change is not required;

- The site is zoned I-3 (Industrial-3), except for the batture acreage which is B-2 (Industrial Batture District). See the letter from Adrienne Labat, Planning & Zoning Director for St. John Parish, to Andy St. Romain, attorney for Safeland, dated February 3, 2006, a copy of which is attached hereto as Appendix E;

- Safeland understands the site is subject to a buffer zone requirement of 600 feet wherever it abuts Residential-1 property. See the letter from Adrienne Labat, Planning & Zoning Director for St. John Parish, to Andy St. Romain, attorney for Safeland, dated February 3, 2006, a copy of which is attached hereto as Appendix E. Compliance with this buffer zone leaves sufficient property — more than 200 usable acres — for the proposed Facility; and

- Much of the area within the eastern boundary of the Facility is wooded.

To summarize, the Angelina site is an ideal site for the proposed Facility.

Denial of the permit based on the site at a minimum would cause a significant delay in the project due to the need to find a new site. For economic reasons, such denial may cause Safeland to not move forward with the project at all, thereby depriving local residents, St. John and surrounding parishes, and the State of the significant benefits to be provided by the Facility.

B. Is the chosen site in or near environmentally sensitive areas?

1. Wetlands

RESPONSE: A report by Consetoga-Rovers & Associates, Inc. dated "Wetlands Delineation, 430+ Acres of the Former Angelina Plantation, Garyville, St. John the Baptist Parish, Louisiana" (the "Wetlands Report"), a copy of which is attached hereto as Appendix F, indicates that 107.07 acres of the Angelina Site are potential jurisdictional wetlands. Most of the potential jurisdictional wetlands are located in the batture area or on the north end of the site near U.S. Highway 61 (Airline Highway).

By letter dated November 10, 2006, to the U.S. Army Corp of Engineers (the "USACE"), a copy of which is attached hereto in Appendix G, URS, on behalf of Safeland, provided a copy of the Wetlands Report to the Corp and requested a Jurisdictional Wetlands Determination from the USACE. Safeland anticipates receiving the USACE's concurrence and Jurisdictional Wetlands Determination shortly.

Most of the Facility will be located in non-wetland areas. To the extent jurisdictional wetlands are disturbed, any necessary permits from the USACE and the Louisiana Department of Natural Resources ("DNR") will be obtained. In accordance with U.S. Environmental Protection Agency, USACE, and DNR regulations and policies, mitigated wetland credits will be purchased by Safeland incompliance with the "No Net Loss" of wetlands policy.

2. Estuaries

RESPONSE: The Angelina Site is not adjacent to or in the vicinity of any estuarine bodies and, therefore, will have no impact on any estuaries.

3. Critical Habitat

RESPONSE: As shown by the letter attached in Appendix H, the Louisiana Department of Wildlife and Fisheries ("LDWF") has confirmed that:

- Although no current information is available, the agency's database indicates the presence of bird nesting colonies within one mile of the Angelina Site. Safeland understands, however, that none of the nesting colonies noted by the LDWF in its letter are rare, threatened, or endangered species. In accordance with the said letter, Safeland will conduct a field visit to the site not more than two weeks before construction begins to look for nesting colonies, and will comply with requirements imposed by the agency that may limit construction activities to non-nesting periods; and

- No other impacts to rare, threatened, or endangered species or critical habitats are anticipated for the proposed Facility.

4. Historic or culturally significant areas
- **a. Indian mounds**
- **b. Antebellum houses**
- **c. Tourist attractions or facilities (e.g., bed and breakfast inns)**
- **d. Campgrounds or parks**

RESPONSE: As shown by the letter attached in Appendix H, the Louisiana Department of Culture, Recreation & Tourism, Office of Cultural Development, Division of Historic Preservation has confirmed that no known archaeological sites or historic properties will be affected by the proposed Facility (see the stamped statement signed by Pam Breaux, State Historic Preservation Officer, dated November 22, 2006, in the top right corner of the said letter). Also, as shown by the letter attached in Appendix H, the Louisiana Department of Culture, Recreation & Tourism, Office of State Parks has confirmed that there does not appear to be any conflict regarding the proposed Facility and existing recreational areas. Further, as shown by the letter attached in Appendix H, the LDWF has confirmed that no state or federal parks, wildlife refuges, scenic streams, or critical habitats are known at the Angelina Site. Safeland is not aware of any historic or culturally sensitive areas that could be affected by the project.

C. What is the zoning and existing land use of the prospective site and nearby area?

RESPONSE: The Angelina Site is zoned I-3 (Industrial-3), except for the batture acreage which is B-2 (Industrial Batture District). See the letter from Adrienne Labat, Planning & Zoning Director for St. John Parish, to Andy St. Romain, attorney for Safeland, dated February 3, 2006, a copy of which is attached hereto as Appendix E.

The site is comprised of fallow agricultural lands and wooded areas. It is not currently being used for any purpose. According to the "Phase I Environmental Site Assessment" report by Conestoga-Rover & Associates, Inc. dated February 2006 (the "Phase I Report"), which was submitted to the Department's Environmental Technology Division as part of Appendix B to Safeland's "Submission for Groundwater Certification Review" dated February 2007 (EDMS Document No. 35737442), the site apparently has not been in agricultural production since at least 1990, and prior to that time was likely in sugarcane or possibly soybean production.

The Angelina Site is bounded on the south by the Mississippi River and on the north by U.S. Highway 61 (Airline Highway). Properties zoned residential lie to the east of the site, although there is a question as to whether St. John Parish may own a strip of land that adjoins the eastern boundary of the site and is zoned I-3 (Industrial-3). The site is bounded on the south by the Mississippi River and on the north by U.S. Highway 61 (Airline Highway). Most of the western boundary of the site is bordered by Gramercy Alumina, a major industrial complex that is zoned I-3 (Industrial-3). A portion of the western boundary Angelina Site is bounded by a five-acre tract of land that was purchased in May 2007 by Future Energy Investments, L.L.C., whose members are the same as Safeland's. Safeland has been advised by the St. John the Baptist Parish, Planning and Zoning Office that this five-acre tract, and perhaps a portion of the Gramercy Alumina property that lies between the Canadian National/Illinios Central railroad line and River Road, is zoned R-1 (Residential-1). Future Energy Investments, L.L.C. has advised Safeland that it may request rezoning of the five-acre tract to commercial or I-1 (Industrial-1), and will not use the tract for residential purposes.

Safeland understands the site is subject to a buffer zone requirement of 600 feet wherever it abuts Residential-1 property. The Facility will fully comply with the parish buffer zone requirements. Compliance with the buffer zone requirements will not affect Safeland's proposed use of the property.

1. **Is the site located near existing heavy industrial, chemical process or refinery operations?**

RESPONSE: Yes. The facility will be adjacent to the Gramercy Alumina plant and within 2 miles of the Marathon Oil Refinery. The facility is within approximately 20 miles of 39 major industrial, chemical process, or refinery operations.

2. **Is there a precedent for chemical contamination near the site or is the soil and water pristine?**

RESPONSE: The site is comprised of fallow agricultural lands and wooded areas and is not currently being used for any purpose. No past industrial activity has been performed at this site. At the time of the Phase I Report in February 2006, certain automobile parts and other debris were noted as being present within the eastern boundary of the site. That debris was removed in connection with Safeland's purchase of the site in March 2006.

The Gramercy Alumina (formerly Kaiser Aluminum) facility and tailing ponds lie across the western boundary of the site. Safeland understands that Gramercy Alumina is monitoring its groundwater per requirements of the Department. However, Safeland has conducted groundwater sampling within the western property line of the site, and in the areas where the debris was formerly located, which indicate that all constituents of concern are below RECAP Screening Levels. See the "Letter of Findings from the Limited Phase II Environmental Site Assessment (ESA) Conducted to Address Recognized Environmental Conditions Discovered in CRA's Phase I" (the "Phase II Report"), which was submitted to the Department's Environmental Technology Division as part of Appendix B to Safeland's "Submission for Groundwater Certification Review" dated February 2007 (EDMS Document No. 35737442); and the Groundwater Certification issued to Safeland by the Department's Water Permits Division by letter dated March 6, 2007 (EDMS Document No. 35778843), stating that it has no objection to the project in regard to groundwater contamination issues.

3. Is the area particularly noted for its aesthetic beauty?

RESPONSE: The land has historically been used for agricultural production and is close to other industrial facilities. Safeland submits that the proposed Facility will not significantly impact aesthetics in the area. The Angelina Site and the Gramercy Alumina site located adjacent to its western boundary are both zoned industrial. Also, as stated in Section I.A, Safeland will plant trees, perform landscaping, or take other steps to enhance the aesthetics of the Facility and the view from the residential areas.

D. Is the site flood prone?

1. Is the site in a flood plain?

a. How current are the maps used to make flood plain determinations?

b. What is the elevation of the site?

c. Is diking required or desired to provide flood protection?

1. What is the design height of the dike?

2. How is the dike protected from erosion?

3. What frequency and design storm was used?

4. Is the access to the site over or through dikes?

RESPONSE: The Angelina Site is in the Mississippi River alluvial valley of the Gulf Coast Plain, and is located on the natural levee and batture of the Mississippi River. According to the Wetlands Report (Appendix F hereto), site elevations range from 0 to 32 feet above NGVD.

According to the Wetlands Report (Appendix F hereto), and the FEMA National Flood Insurance Program, Flood Insurance Rate Map "St. John the Baptist Parish, Louisiana (Unincorporated Areas)," Panel 220164 0175 C, dated February 2, 1983, which is included in that report, approximately the northern half of the site and the batture are in the 100-year flood plain, and all other areas of the site are in the 500-year flood plain, and are protected from the 100-year flood by levees, dikes, or other structures.

No new diking for flood protection will be required. The Facility will be protected from flooding of the Mississippi River and Lake Maurepas by flood control structures built by the USACE and maintained by the USACE and regional levee authorities.

In keeping with its intent to develop and maintain good relationships with local business and residents, Safeland will design and operate the Facility so that the Facility will not adversely impact local drainage and will itself have proper drainage during unusually intense rain events.

2. **Is the site hurricane vulnerable?**
   - a. **Is the site in an area subject to storm surge?**
   - b. **What are the design storm specifications?**
   - c. **Should damage from wave action be considered?**
   - d. **For what levels of wind speed is the facility designed?**

RESPONSE: The Angelina Site is vulnerable to hurricanes to the extent the Louisiana Office of Emergency Preparedness considers the entire state to be vulnerable to hurricanes. It is believed that the site is not subject to a storm surge, and wave action is not considered applicable because of the site elevation and distance from shorelines. Significantly, the Angelina Site was not affected by storm surge during Hurricane Katrina in 2005, as was the Bonnet Carre Spillway.

Design storm specifications and wind speed specifications for facility structures and equipment will comply with the requirements of the local governing body and other requirements. Also, as stated in Section IV.A, one of the essential site selection criterion utilized by Safeland was that the site be located north of the Bonnet Carre Spillway, in order to avoid potential storm surges and flooding from tropical storms and hurricanes. The Angelina Site meets this criterion.

E. Is groundwater protected?

1. **Are aquifers or recharge area underlying the site used for drinking water?**
2. **What is the relationship of the site to the water table?**
3. **What wells exist in the area?**
4. **What is the flow rate and direction of the groundwater flow?**
5. **What is the groundwater quality in the underlying aquifers?**
6. **Is there a hydraulic connection between the aquifers?**

RESPONSE: Groundwater will be protected in a variety of ways. This site is not a landfill or solid waste surface impoundment that poses significant risk to groundwater. No underground storage tanks will be located at the facility.

Further, based on searches of the Louisiana Department of Transportation and Development's water well database and the USGS Well and Federal FDRS Public Water Supply System database, and a field survey of the Angelina Site, no active water supply wells are located on the Angelina Site, and the only water well within a one-mile radius of the Angelina Site is located approximately 620 feet east of the site, south of River

Road. See Section 7, at page 4 of Safeland's "Submission for Groundwater Certification Review" dated February 2007 (EDMS Document No. 35737442); and Section 2.2.2, at page 8 of the Phase I Report which was submitted to the Department's Environmental Technology Division as part of Appendix B to Safeland's said "Submission for Groundwater Certification Review" dated February 2007.

Secondary containment will be provided for all bulk storage containers and loading racks. All waste generated by the Facility will be transported offsite for disposal at permitted facilities, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit. Storm water will be managed in accordance with a Storm Water Pollution Prevention Plan, and will be discharged to ditches along side Highway 61 (Airline Highway) or Highway 44 (River Road), all in accordance with the LPDES program requirements. Storm water discharged to the ditch along Highway 61 will be captured in a retention pond prior to discharge. All spill prevention countermeasures and controls required by the Oil Spill Prevention Act (OPA 90), the Louisiana Spill Prevention Control and U.S. Coast Guard regulations will be constructed and all procedures adhered to. Employees will be properly trained in applicable operational and safety procedures and activities and spill prevention and control measures. This combination of physical and procedural controls will assure groundwater is adequately protected.

As stated in Section I.A, the Department's Water Permits Division issued a Groundwater Certification to Safeland by letter dated March 6, 2007, stating that it has no objection to the project in regard to groundwater contamination issues.

The Phase I Report indicates that there are four significant zones that may produce fresh water in the area of the site. A shallow zone of thin and discontinuous water-bearing strata occurs within the modern Mississippi River alluvium. The Gramercy Aquifer occurs at a depth of approximately 150 feet in the site area, and is generally 100 feet thick. The Norco Aquifer underlies the area at a depth of approximately 300 feet and is generally 150 to 300 feet thick. The Gonzales-New Orleans Aquifer underlies the area at a depth of approximately 650 feet and has an average thickness of 200 feet in the site area. The Gramercy Aquifer is hydrologically connected to the alluvial system, and may be locally connected to the Norco Aquifer in portions of the area. Several hundred feet of clay separate the Gonzales-New Orleans Aquifer from the Norco Aquifer. All three aquifers are pumped from in the vicinity, with the Norco Aquifer being the predominant source of fresh water. The potentiometric conditions of all the aquifers are influenced by groundwater withdrawals in the area, with groundwater flows towards the withdrawal areas. All aquifers have variable water quality, ranging from fresh to saline in the general area. The water in the Gramercy Aquifer is generally harder. All aquifers deeper than the Gonzales-New Orleans Aquifer contain saline groundwater in the site area.

F. Does prospective site pose potential health risks as defined by proximity to:

1. **Prime agricultural area (crop or pasture land)**
2. **Residential area**
3. **Schools or day care centers**
4. **Hospitals or prisons**
5. **Public buildings or entertainment facilities**
6. **Food storage area**
7. **Existing community health problems that may be aggravated by operation of additional hazardous waste disposal capacity?**

RESPONSE: Based on an on-the-ground review of the area near the Angelina Site, Safeland believes there are no prime agricultural areas, day care centers, hospitals, prisons, or food storage areas in close proximity to the Angelina Site. The nearest school is believed to be the Garyville-Mt. Airy Magnet School located at 240 Highway 54, in Garyville, approximately 1½ miles from the Angelina Site. Residences are located in an area approximately 800 to 2,100 feet to the east of the site, and two churches (the St. Mark Baptist Church located 132 Marquel St. and the St. John the Baptist Church located at 287 Daffodil St., in Mr. Airy), are located in that residential area. Also, approximately 4 single family homes are located approximately 1,500 feet west of the Angelina Site.

Safeland does not believe Facility operations will pose potential health risks to persons in proximity to the Facility, and Safeland is not aware of any exising community health problems that may be aggravated by the operation of the Safeland Facility. As stated in Section I.A, the Facility will be a minor source of air pollutants. The Facility is in an attainment area for all regulated pollutants for which the EPA and LDEQ have established Ambient Air Quality Standards. Air emissions will be controlled by state-of-the-art emission control devices, several of which exceed the regulatory requirements. Air dispersion modeling results demonstrate that Facility emissions will comply with the applicable ambient air standards. No waste will be disposed of on-site. The Facility intends to meet all applicable requirements.

G. Is air quality protected?

RESPONSE: Yes. The Facility will meet or exceed all applicable federal or state emission standards and requirements. See the preceding paragraph, Section I.A, and Safeland's Minor Source Permit Application Update dated November 2006 for detailed information the air quality controls to be implemented by the Facility.

1. Is the site within an ozone or non-attainment area?

RESPONSE: The facility is located in St. John the Baptist Parish. The parish is in attainment for all regulated pollutants for which the EPA and LDEQ have established Ambient Air Quality Standards.

2. What contaminants are likely to be generated at the site?

RESPONSE: Volatile Organic Compounds and products of combustion of fuels will be generated at the site. Emissions of these contaminants will be limited to those allowed by the Facility's air permit.

3. What protection is afforded from each contaminant generated by the site?

RESPONSE: As described in Section I.A, the Facility will utilize state of the art equipment and control devices to reduce emissions to the atmosphere, including domed external floating roofs and a thermal oxidizer with a destruction efficiency of 99%, even though the applicable regulations only require a destruction efficiency of 90%.

4. What is the potential for unregulated emissions?

RESPONSE: Safeland will operate the Facility within strict permit and regulatory guidelines and will operate equipment in accordance with manufacturers' guidelines. Employees will be properly trained in applicable operational and safety procedures and activities and spill prevention and control measures. Emissions will be reported as required under the air permit, and it is expected that LDEQ will perform routine inspections of the Facility to confirm compliance with the air permit. In light of these and other factors, Safeland submits that there is minimal potential for unregulated emissions.

5. What plans are implemented to provide for odor control?

RESPONSE: As described in Section I.A and in this Section IV.G, emissions will be controlled by the use of domed external floating roof tanks and a thermal destruction system for volatile compounds. In light of the emission controls to be utilized by the Facility, no significant odors are expected from the Facility.

6. Who will be affected by emissions?
- **a. What is the direction of the prevailing winds?**
- **b. Describe the expected frequency of "bad air" conditions.**

RESPONSE: With the control of emissions described in Section I.A and in this Section IV.G, it is not believed that anyone will be adversely affected by emissions to the atmosphere. No "bad air" conditions are anticipated. Air dispersion modeling results demonstrate that Facility emissions will comply with the ambient air standards.

7. Describe the control of vapors at various stage of process.

RESPONSE: Vapors from the loading of volatile compounds (Vapor Pressure > 1psia) will be controlled by a thermal destruction device. Storage emissions will be controlled for volatile compounds by using a domed external floating roof tank. Nitrogen Oxides (NOx) from steam generating equipment will be controlled through the use of "ultra low

NOx burners". The installation of this control equipment exceeds the control requirements in applicable state and federal regulations. See Section I.A.

H. Have physical site characteristics been studied; what has been done in terms of a geotechnical investigation?

RESPONSE: The Facility is not a landfill or a solid waste surface impoundment for which local geologic conditions could cause a potential release pathway. A geotechnical evaluation will be performed for the purpose of determining structural requirements for above ground equipment. Facility construction standards will meet all applicable local, state, and federal standards and building codes as well as established applicable industry standards.

1. Site geology

RESPONSE: The Phase I Report indicates that surface deposits in the area are recent (Holocene) alluvial natural levee and backswamp sediments composed of silty sands, silty clays, and clays with discontinuous sand lenses to depths of 100 feet or more, which have been deposited from historical flooding of the Mississippi River. Point bar deposits from present and past channels of the Mississippi River also occur in the area, predominantly consisting of fine sands. The deposits have not been defined in the site area, but do occur nearby. The alluvial deposits overlie older Pleistocene alluvial and deltaic strata composed of thick sand strata separated by clay layers. Significant sand strata occur at approximately 200-foot, 400-foot, and 700-foot depths.

2. Hydrology

RESPONSE: Vegetated drainage ditches are located on the site in a grid that may have been established for agriculture. Natural storm water drainage from the site is via infiltration of site soils, into the drainage ditches located on the site and on the site perimeter, and to the north towards Hope Canal and Dutch Bayou.

3. Topography

RESPONSE: According to the Wetlands Report (Appendix E hereto), site elevations range from approximately 15 feet above sea level at the crest of the natural levee with a gentle slope away from the river to the north, to an elevation of less than four feet above mean sea level.

4. Soil properties

RESPONSE: The Wetlands Report indicates that, according to the Soil Survey of St. James and St. John the Baptist Parishes, Louisiana (USDA Soil Conservation Service 1973), the site is mostly underlain by Sharkey clay; Sharkey silty clay loam; soils of the Sharkey association, frequently flooded, complex; Commerce silt loam; and soils of the Convent soils and Silty alluvial land, frequently flooded, complex. Soil field data collected in connection with the Wetlands Report between the manmade levee and U.S. Highway 61 were in general agreement with the soil survey. According to the said 1973

soil survey, soils in the batture area consist of Convent soils and Silty alluvial land, frequently flooded, complex.

5. Aquifer location

RESPONSE: Groundwater will not be used in Facility operations. Information regarding aquifers underlying the property is provided in the response to Question IV.E.

6. Subsidence problems

RESPONSE: Any potential subsidence problems associated with tanks and other equipment to be constructed on-site will be addressed by pilings. It is not anticipated that any pilings will be required at a depth that would enter aquifers underlying the site.

7. Climatic conditions

RESPONSE: According to the website of the Southern Regional Climate Center, the average annual precipitation at the New Orleans International Airport is 64.16 inches. The wettest month during that period is June with an average of 6.83 inches of rain, and the driest month is October with an average of 3.05 inches of rain. The average temperature is 68.8 °F. According to EPA document AP-42, Fifth Edition: Compilation of Air Pollutant Emission Factors, Volume I, Chapter 7, New Orleans' Average Maximum Temperature is 77.7 °F and Average Low Temperature is 58.7°F.

V. **Are there mitigating measures which would offer more protection to the environment than the facility as proposed without unduly curtailing nonenvironmental benefits? (This question requires the permittee to demonstrate having considered the most stringent techniques for reducing or more efficiently handling waste.)**

RESPONSE: No. As shown by the responses in Section I.A and in this Section V, there are no mitigating measures which would offer more protection to the environment than the facility as proposed without unduly curtailing nonenvironmental benefits.

A. **Is this facility part of a master plan to provide waste management? Whose plan?**
   1. **How does it fit into the plan?**
   2. **What geographical area is served by the plan?**

RESPONSE: No. These questions relate to waste management or disposal facilities. Because no waste materials will be disposed of on site, these questions are not applicable to the proposed Facility.

B. **Does this facility fit into an integrated waste management system? (reduction, recovery, recycling, sales tax, exchange, storage, treatment, disposal).**
   1. **On-site**
   2. **Regional**

RESPONSE: No. These questions relate to waste management or disposal facilities. Because no waste materials will be disposed of on site, these questions are not applicable to the proposed Facility.

C. **Can waste be disposed in another fashion (way)?**
   1. **Technology limitations**
   2. **Cost factors**
   3. **Other reasons**

RESPONSE: As stated, all hazardous waste and solid waste generated by the Facility will be transported offsite for disposal at permitted facilities, except for certain wastewaters that will be treated in an on-site wastewater treatment plant and then discharged in accordance with the requirements of the Facility's LPDES permit. Disposal of wastes onsite may be more cost effective to the project and the technology to do so does exist. However, Safeland believes that the creation of small industrial waste landfills is potentially less protective of the environment, and would result in additional land unnecessarily being used for waste management purposes. Therefore, no waste materials will be disposed of on site.

D. What quality assurance control will be utilized to protect the environment?

1. **Plans for lab work**
2. **How are out-of-spec wastes handled**
3. **What happens to rejected wastes**
4. **Treatment stabilization**
5. **Segregation of noncompatible wastes**
6. **Handling of containerized wastes**

RESPONSE: This question contemplates waste management or disposal facilities, and are not applicable to the proposed Facility. Management of wastes at the proposed Facility is described in Section I.A.1.

E. Innovative techniques used to control release of waste or waste constituents into the environment.

1. **Surface impoundment**
2. **Land application treatment**
3. **Landfill (burial)**
4. **Incinerator**
5. **Container storage**
6. **Tanks**

RESPONSE: Safeland will implement all feasible methods to control the release of wastes or waste constituents into the environment. Such measures will include the use of secondary containment around tanks. Best Management Practices to prevent storm water contamination from loading and unloading areas, parking areas, and other areas will be followed in accordance with the facilities storm water pollution prevention plan and spill prevention and control plan. Other mitigating measures are described in Section I.A.

CONCLUSION

As shown above, all evidence supports the conclusion that: (1) the potential and real adverse environmental effects of the proposed Facility have been avoided to the maximum extent possible; (2) a cost benefit analysis demonstrates that the social and economic benefits of the proposed Facility greatly out weigh any environmental impact costs of the Facility; (3) there are no alternative projects which would offer more protection to the environment than the proposed Facility without unduly curtailing nonenvironmental benefits; (4) there are no alternative sites that would offer more protection to the environment than the proposed site without unduly curtailing nonenvironmental benefits; and (5) there are no mitigating measures which would offer more protection to the environment than the Facility as proposed without unduly curtailing nonenvironmental benefits. Permitting of the proposed Facility, therefore, fully satisfies Louisiana's public trust doctrine.

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SIMMONS & COMPANY
INTERNATIONAL

June 20, 2007

Louisiana Department of Environmental Quality
Office of Environmental Services
P. O. Box 4313
Baton Rouge, LA 70821-4313

To Whom It May Concern:

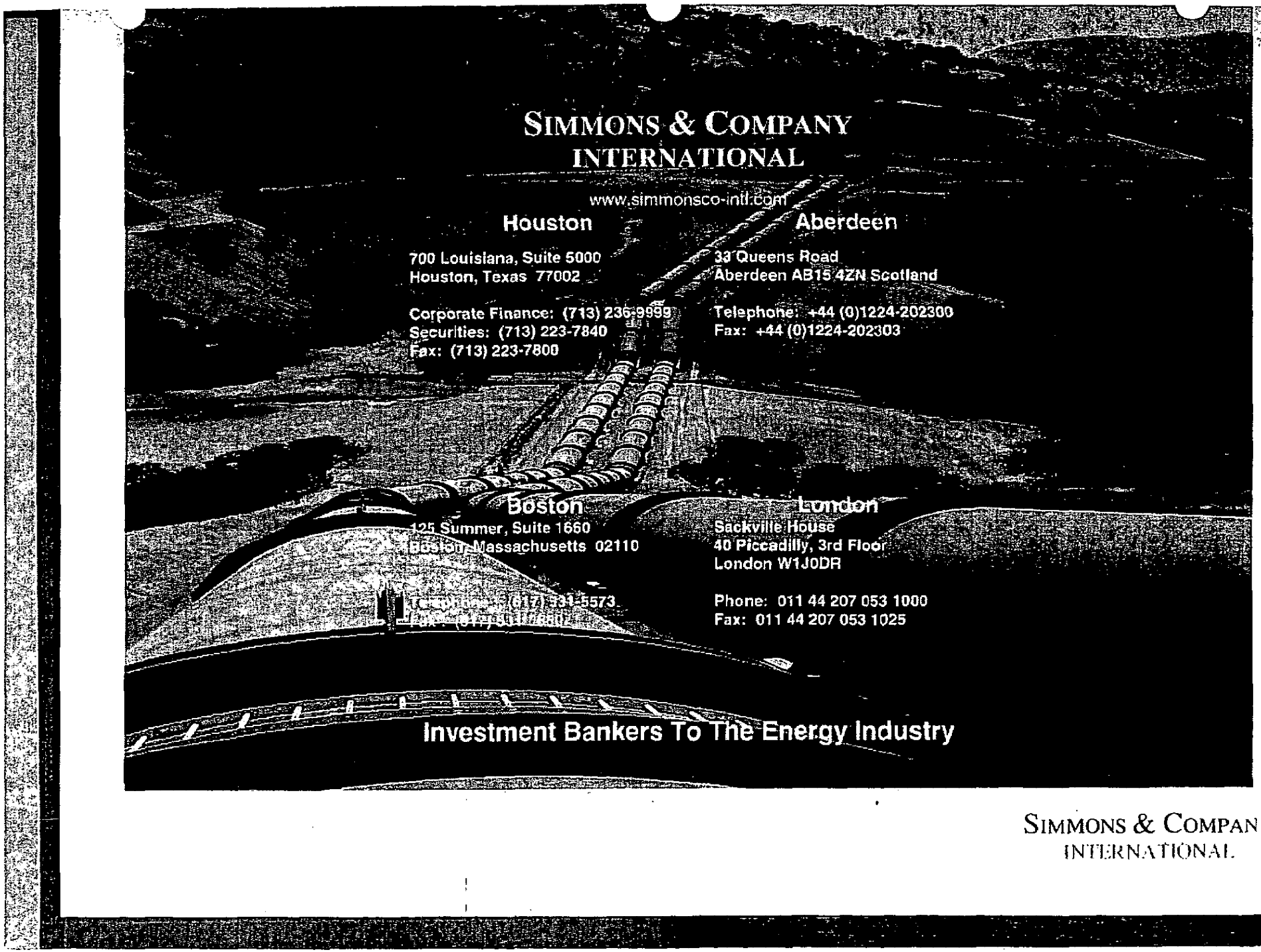
Simmons & Company International ("Simmons"), a nationally recognized, energy-focused investment bank, has been retained by Safeland Storage, LLC (the "Company") to solicit interest in investing in the Company's proposed crude and refined products storage terminal located on the lower Mississippi River. During the course of our engagement, Simmons has conducted extensive market research relating to the commercial and economic need for such a facility, as well as the regional supply and demand dynamics needed to justify such a project. Additionally, Simmons has engaged Muse, Stancil & Co. ("Muse Stancil"), a global consulting firm specializing in the energy industry, to perform additional research and analyses relating to the Company's proposed terminal.

In our view, and with concurrence from Muse Stancil, there is a significant need for additional storage capacity for crude and refined products along the lower Mississippi River, and the proposed Safeland terminal project would help to only partially satisfy the current and projected growth in demand for such storage capacity. More specifically, record Gulf Coast refining margins have provided refiners with the economic incentive to expand capacity, which we expect will require incremental storage of crude and refined products. Additionally, accelerated usage of alternative fuels, such as ethanol and biodiesel, and their associated transportation and logistical issues, should also contribute to increased demand for terminaling and storage of intermediates and refined products along the lower Mississippi River.

Ultimately, the proposed Safeland project would serve as a necessary component of the nation's energy supply chain, the importance of which we feel will continue to escalate in light of the many challenges associated with today's energy supply.

Regards,

James P. Baker
Managing Director
Simmons & Company International



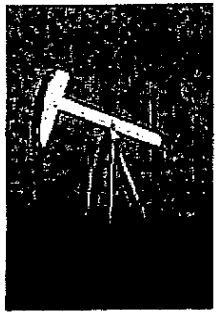
SIMMONS & COMPANY
INTERNATIONAL

Simmons Focuses Exclusively On The Energy Sector

- Simmons provides investment banking services to companies in the upstream, midstream and downstream, alternative energy and coal sectors of the energy industry.

Upstream Oil And Gas | **Midstream And Downstream Oil And Gas** | **Alternative Energy And Coal**

Oil Service And Equipment Companies

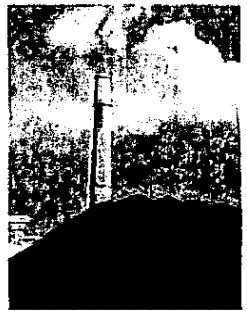


Exploration And Production Companies

Midstream Gas (Processing, Transportation And Marketing)

Downstream Oil (Refining, Transportation And Marketing)

Alternative Energy



Coal

Simmons & Company Profile

History	▪ Founded in 1974 to focus on the corporate finance needs of the worldwide oilfield service and equipment industry
	▪ Formed Capital Markets group in 1993
	▪ Expanded midstream/downstream effort in 1996
	▪ Started exploration and production ("E&P") company research in 1999
	▪ Completed first E&P M&A transaction in 2000
	▪ Alternative energy and coal research in 2004
Organization	▪ Headquarters in Houston, Texas with offices in Aberdeen, Scotland; London, England; and Boston, Massachusetts
	▪ Approximately 90 executives and 140 total employees, including 50 Corporate Finance professionals
Core Services	▪ Mergers and Acquisitions; Sales and Divestitures
	▪ Joint Ventures/Recapitalizations/Restructurings
	▪ Takeover Defense/Valuations/Fairness Opinions
	▪ Private Placements of Equity and Debt Securities
	▪ Underwriting of Public Offerings of Equity and Debt Securities
	▪ Equity Research, Institutional Sales and Trading
Market Presence	▪ Worldwide client base with public and private companies in every energy industry sector
	▪ Over $94 billion of transactions completed
	▪ Research distributed to over 500 U.S. and European institutional investors
	▪ "Single Product" institutional sales force

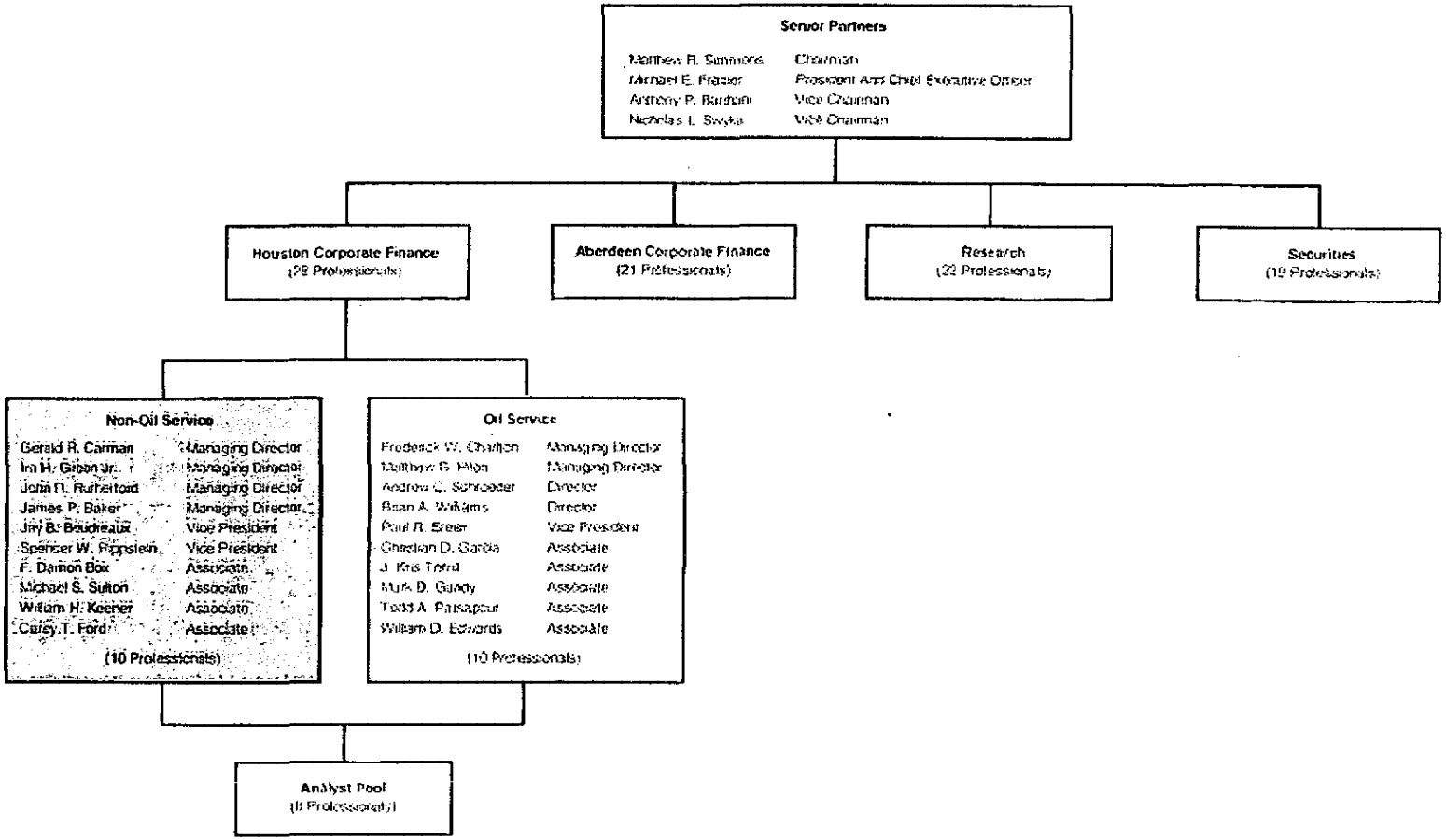
Simmons' Specialization Makes It A Truly Unique Firm

- Simmons is able to provide superior transaction execution through its long-term industry specialization and investment banking experience. Simmons' reputation and industry specialization has made the firm the natural point of contact for companies and investors with an interest in the energy industry.

Industry Knowledge	▪ Knowledge of developments and trends, macro and micro ▪ Knowledge of the key and diverse drivers of each segment of the energy services industry
Knowledge Of Industry Participants And Investors	▪ Long-term relationships at the senior executive level ▪ Familiarity with companies' operations and cultures ▪ Understanding of companies' corporate strategies
Resources	▪ Dedicated professionals, with long-term industry involvement ▪ Depth of transaction experience both with companies in industry and with active institutional investors ▪ Extensive research library of industry periodicals and company records ▪ Databases on public and private industry participants, Simmons and non-Simmons transactions, key industry statistics and institutional ownership

Simmons Has Made A Substantial Resource Commitment To The Energy Industry

- Simmons has focused much of its efforts in the non-oil service segment of energy.



Simmons' M&A Experience Includes Many Of Industry's Largest Transactions

(Dollar amounts in billions)

Mergers / Acquisitions	▪	**Transocean Offshore** merger with R&B Falcon	$ 9.0
	▪	**Union Pacific Resources** merger with Anadarko Petroleum	7.0
	▪	**Transocean** merger with Sedco Forex	3.6
	▪	**Weatherford Enterra** merger into EVI	2.8
	▪	**Plains All American Pipeline** acquisition of Pacific Energy Partners	2.4
	▪	**Hercules Offshore** acquisition of TODCO (pending)	2.4
	▪	**Weatherford International** acquisition of the Energy Services and International Contract Drilling businesses of Precision Drilling	2.3
	▪	**Sonat Offshore** acquisition of Transocean ASA	1.7
	▪	**Cal Dive** merger with Remington	1.4
	▪	**Financial Investor Group led by Candover Partners** acquisition of the upstream portion of ABB's Oil, Gas and Petrochemical Division	0.9
	▪	**Enterra** merger into Weatherford International	0.7
	▪	**Expro Group plc** acquisition of PowerWell Services	0.7
	▪	**Tidewater** acquisition of O.I.L. Ltd. (from Ocean Group plc)	0.5
	▪	**Plains All American** acquisition of select Sempra gas storage facilities	0.5
	▪	**Pride International** acquisition of Forasol-Foramer NV	0.4
	▪	**Noble** acquisition of Neddrill (from Nedlloyd)	0.4
	▪	**MBO** of KBR Production Services	0.3
	▪	**Plains All American Pipeline** acquisition of Link Energy's crude oil business	0.3
Sales / Divestitures	▪	**Baroid** acquisition by Dresser Industries	$ 1.1
	▪	**Barnett Shale Assets Of Four Sevens Oil Co. Ltd. /Sinclair Oil Corp.** acquisition by Chesapeake Energy	0.8
	▪	**Weatherford Global Compression Services** acquisition by Universal Compression	0.8
	▪	**Eastman Christensen** acquisition by Baker Hughes	0.6
	▪	**Cavallo Energy LP** acquisition by Linn Energy, LLC	0.4
	▪	**Dual Drilling** acquisition by ENSCO International	0.4
	▪	**Greystone** acquisition by Chesapeake Energy	0.4
	▪	**Teleco** acquisition (**from Sonat**) by Baker Hughes	0.4
	▪	**Tidewater Compression** acquisition by Castle Harlan	0.4
	▪	**Warrior Energy Services** acquisition by Superior Energy Services	0.4
	▪	**Land Drilling Operations of GlobalSantaFe** acquisition by Precision Drilling	0.3
	▪	**Dynegy** Mid-Continent Midstream Gas acquisition by ONEOK	0.3
	▪	**Oil & Gas Rental Services** acquisition by Allis-Chalmers Energy	0.3
Minority Squeeze-Out	▪	**J. Ray McDermott** by McDermott International	$ 0.5
Merger Defenses	▪	**Nowsco Ltd.** acquisition by BJ Services Co	$ 0.6
	▪	**Daniel Industries** acquisition by Emerson Electric Co	0.5

Note **Bold** denotes Simmons' client

Simmons Has Executed Many M&A Transactions From $50 Million To $350 Million[1]

Acquiror/Acquired Company [Parent Company]	Acquiror/Acquired Company [Parent Company]
3i plc/Concept Systems Ltd	KRG Capital Partners/**Varel International**
AFOS/SPS	Licking Rural Electrification/**National Gas & Oil Company**
Allis-Chalmers Energy/**Oil & Gas Rentals**	**Lime Rock Partners**/Perkins, Macintosh and Perkins Ltd
Allis-Chalmers Energy/**DLS Drilling Logistics and Services Corporation**	**MBO Team** (Production Services Network)/KBR's Production Services Division
ASCo Group/L&L Oil Company	Nabors Industries/**Noble Drilling land rig division**
Astra Oil/**U.S. Oil & Refining**	National Oilwell/**Continental Emsco Drilling Products**
Basic Energy Services/**Jetstar Energy Services**	Neff Corporation/**Buckner Rental Service**
Black Warrior Wireline/Bobcat Pressure Control	Newpark Resources/**Marine assets of Campbell Wells [Sanifill]**
Cal Dive International/Canyon Offshore	**Noble Drilling**/Chiles Offshore
Cal Dive International/Stolt Offshore GOM Region Diving and Shallow Pipeline Assets	**Noble Drilling**/Jackup fleet of Western Co. of N.A
Cal Dive International/**Technip-Coflexip's subsea well operations**	**Offshore Logistics**/Bristow Helicopter Group
Candover Partners Ltd/Wellstream [Halliburton]	ONEOK/**Midstream assets [Dynegy]**
CEPI Holdings/**CRC Evans [Weatherford Enterra]**	Output Exploration/**White Oak Energy [Natural Gas Partners]**
Cliffs Drilling/**Southwestern Offshore [Viking]**	**Patterson-UTI/Key Energy Services' domestic land drilling operations**
Connacher Oil & Gas/**Montana Refining Company [Holly Corp]**	Philip Services/**Serv-Tech**
Conoco/**Petro-Canada NGL business**	Plains All American Pipeline/**Andrews Petroleum, Inc**
Cooper Cameron/**Orbit Valve International**	**Plains All American Pipeline**/Link Energy's crude oil business
Cooper Cameron/**Petreco International**	**Plains All American Pipeline**/West Texas crude pipeline systems [Shell]
CRP Holdings/**Balmoral Group International**	**Plantation Petroleum**/Maynard Oil
Dailey International/**DWS and Damco**	Pool Energy Services/**Sea Mar**
Daniel Industries/Betts	**Power Well Services [First Reserve]**/Geoservices
Dawson Production Services/**Hellums Services**	Precision Drilling/**Land Drilling Operations of GlobalSantaFe**
Dresser Industries/Wheatley TXT	Prosafe/**Nortrans Offshore**
Elliott & Associates/**Grant Geophysical**	Safe Offshore ASA/**Safe Britannia, Caledonia, Lancia [OAGL]**
Enerflex/EnSource Energy Services	SCF Partners/**Andergauge Ltd**
Energy Pacific/**CES/Way International**	SCF Partners/**Continental Emsco**
Enterprise Products/Select terminal and storage assets of **Ferrellgas**	Schlumberger/**Sensa [Sensor Highway]**
Enterra/**Total Energy Services**	SEACOR Holdings/**AHTS Vessels Of Rowan Companies**
First Reserve/**Cardinal Services**	SEACOR Holdings/**Era Aviation [Rowan Companies]**
First Reserve/**Halliburton's Surface Well Testing business**	Superior Energy Services/**Cardinal Services**
Flowserve/**Innovative Valve Technologies**	Superior Energy Services/**Warrior Energy Services**
Fugro/Jason Geosystems	T.D. Williamson/**Plugging Specialists International**
Fugro/**Robertson Research**	TAC AB [holding of EQT]/**CSI Control Systems International**
Global Industries/Subsea International [Dresser]	**TEPPCO Partners**/Duke Energy Transport And Trading Company
Halliburton/**Easywell Solutions**	Texas Utilities Integrated Solutions/**ServiceMaster Energy Management**
Hanover Compressor Company/**PAMCO Services International**	Tidewater/**Hornbeck Offshore Services**
Heerema Group/**Intec Engineering**	Tyco International/**Suter plc's industrial valves division**
Hercules Liftboat Company/**Global Industries liftboat division**	Tyco International/**Tracer Industries**
HIG Capital/**PetroCom, LLC**	Valero Energy/**Huntway Refining**
Inflexion Private Equity/**Balmoral Marine Ltd**	Vallourec & Mannesmann Tubes/**OMSCO [ShawCor]**
Investor/**Offshore Accommodation Group**	**Weatherford Enterra**/Energy Industries [Zapata]
ITEQ/Astrotech International	**Weatherford International**/Homco
Ivanhoe Energy/**Ensyn Petroleum**	

Note: **Bold** denotes Simmons client

[1] Select mid-market transactions since 1993 are listed below

Select M&A Transactions Under $50 Million Since 1993

Acquiror/Acquired Company [Parent Company]

3i plc/Dailey Eastern Hemisphere
3i plc/Ensign Geophysics
3i plc/Sparrows
A&B Valve & Piping Systems [Ramex]/A&B Bolt & Supply [T-3 Energy Services]
Acteon Group Ltd Acquatic/Engineering & Consulting Ltd
Aero International/Aero Cranes
ASCo Group/Venture Transport
Baker Hughes/Apollo Resources
Baker Hughes/Oil Dynamics
Baker Hughes/Scientific Software-Intercomp
Basic Energy Services/First Energy Services Company
BJ Services/Cajun Tubular Services
Black Warrior Wireline/U.S. operations of Phoenix Energy Services
Calumet Lubricants/Rouseville, Pennsylvania refinery owned by Pennzoil-Quaker State
Cameo International/Camlow SAIC
Catalyst Hill Growth Capital/Multi-Shot [Black Warrior]
Chesapeake Energy/Sendero Energy
Churchill Capital/TEPSCO
Consial Chemical Company/Harris Brothers
Coflexip Stena Offshore/Cal Dive International (37%)
Cooper Cameron/Stewart & Stevenson's pressure control product line
Core Lab/Goex International
Cornerstone Propane Partners/Lantern Petroleum Corp
Corpro/Oilphase [Schlumberger]
Corpro Companies/Cathodic Protection Services
Curtiss-Wright/TAPCO International [Triton]
Daniel Industries/Oilfield Fabricating & Machine
Daniel Industries/Spectra-Tek International Ltd
Dawson Production Services/Petrostar
Dresser Industries/Wellstream
Elliot Associates/Grant Geophysical
Energy Ventures/Arrow Completion [Weatherford]
Energy Ventures/Drilling barges from Noble
Energy Ventures/Tubular Corporation of America
EnPro Industries/Pikotek
Expro Group/DHV International
Expro Group/Read Matre Instruments [Read ASA]
Far East Levingston Shipbuilding/Offshore Accommodation Group (Flotel)
First Reserve/Cal Dive International (50% interest)
FMC-SOFEC Holdings
FMC-SOFEC MODEC
Frontera Energy/Oil Dynamics
Freestone Partners/DAN-LOC Bolt & Gasket [Flexitallic Group]
Fugro USA/LaFehr & Chan Technologies and LCT Software
GATX Terminals/Terminal de Productos Especializados
Geo A.S.A./Century Subsea Ltd
GHX Acquisition/Galveston-Houston
Global Industries/CCC Fabricaciones y Construcciones S.A. de C.V. (49%)

Global Industries/Divcon International
Global Industries/Halliburton's Inboard operations
Grant Prideco/Diamond Products International [NQL Drilling Tools]
Heller Hickox/Cynara [Dow Chemical]
Hornbeck Offshore Services/Asco's Magnolia Port Fourchon base facility
Hornbeck Offshore Services/Oil & Gas Rental's supply boat business
Hornbeck Offshore Services/Ravenswood Investment
Hunting plc/Iberia Threading
IHS Energy Group/Petroleum Data Services [DC Data]
Investor/American Aero Cranes [Weatherford Enterra]
Investor/Canadian operations of Phoenix Energy Services
Investor/DAN-LOC Bolt & Gasket [Daniel Industries]
Investor/Dietsman Morgan Moore
Investor/Lighting Systems [Weatherford International]
Investor/Tobin Data Graphics
JM Huber/Enterra Patco Oilfield Products [Weatherford Enterra]
Key Energy Group/J.W. Gibson Well Service [Nabors Industries]
Key Energy Group/WellTech
Kirby Corp/Coastal Towing assets
Landmark Graphics/MIRA product line of Grant-Tensor Geophysical
LTC Energy/Scientific Software's pipeline simulation division
LMS Capital Limited/Sparrows Offshore International
Madison Capital Partners/Hudson Products [McDermott International]
Markwest Energy Partners/Pinnacle Natural Gas [Energy Spectrum Capital]
McCaslaer Services/Rowland Trucking [Unichem International]
M-I Swaco/Clean-Cut [Clyde Blowers]
Nabors Industries/Delta Drilling
Nabors Industries/Grace Drilling
Nassau Holding/Wheeling Machining Products
Natco Holding/Omega Service Industries
NATCO/T.E.S.T. [Weatherford Enterra]
National Oilwell/Dupré Companies
National Oilwell/Roberds-Johnson Industries
Natural Gas Partners/CRC-Evans [LG&E Energy]
NEWFLO/Barber Industries [Weatherford Enterra]
Nitron Ross/Control Valve Division of Vetco Gray
Noble/Triton Engineering Services
Nowsco/Acid Engineering
Oakbay BV/Varel Manufacturing Company
Offshore Logistics/Grasso
Oceaneering/Grayloc Products
Oceaneering Intl Services Ltd/OIS International Inspection Services [Abbot Group]
Oil States/Applied Hydraulic Systems
Petrolac Ltd/PGS Production Services unit [Petroleum Geo-Services ASA]
Pont Aguilar & Oriental Straits Navigation/Sea Oil Homco [Weatherford International]
Proserv Energy Services/Harrisburg Wooley
Pride International/Offshore Rig LLC
Proton Alternatives/Entergy Integrated Solutions

PSL Holdings/AGR Ability Group
Q Services/Goetz Services
RTI Communications/Data-Com [Western Atlas]
Saipem SpA/Sate Supporter Flotel
SCF Partners/Access Oil Tools
SCF Partners/FiberGlass Systems
Schlumberger/Terratek
Schlumberger/Electromagnetic Instruments
Seminole Transportation & Trading/Crude gathering and marketing assets of Dynegy
Serimor Data/Umax Ltd
Smith International/CanFish Services [NQL Drilling Tools]
Smith International/Neyrfor-Weir's turbo drilling business
Speedway Super America/Crystal Flash (31 Michigan C-stores)
SPS-AFOS/Global Completion Services
Sunoco/Crude gathering and marketing assets of Pride Companies
Superior Energy Services/Workstrings
TEPPCO Partners/Two fractionating facilities owned by Duke Energy Field Services
Tesoro Petroleum/Coastwide Energy Services
TGS-NOPEC Geophysical/A2D Technologies
Thermo Instrument Controls/Galveston-Houston Flow Automation
TIMEC Company/Electrical & Instrumentation Unlimited
Total Compression/Northeast division of Compressor Systems Inc
TransCanada/NGL assets of Union Texas Petrochemicals
Tuboscope Vetco/Wadeco Oilfield Services
Tyco Laboratories/Preferred Pipe Products
Unifab International/Oil Barges
UTI Energy/FWA Drilling [USX Corp]
UTI Energy/Southland Drilling
UWG Group/Private Shareholder
UWG Group/3i
UWG Group/MENCK [McDermott International]
UWG Group/Technip Offshore Moorings [Technip]
Varel International/Crystal Probe
Varel International/Walker McDonald
Venture Transport Logistics/Venture Transport [ASCo plc]
Wachovia Capital Partners/Express Energy Services (46%)
Weatherford International/Brit Bit Limited
Weatherford International/Edinburgh Petroleum Services (EPS)
Weatherford International/H&H Oil Tool
Weatherford International/Dailtools (Sand Control Division)
Weatherford International/Symtec A
Weatherford International/Weir Drilling Services
WellDynamics/ProTek
Western Atlas/SunGroup Energy Services Ltd
Williams/Willbros' Opal Assets
Wood Group/Operators & Consulting Services
Zeihel AS/Tubel Technologies

Note: Bold denotes target company

SIMMONS & COMPANY
INTERNATIONAL

Select Midstream/Downstream Transaction Experience

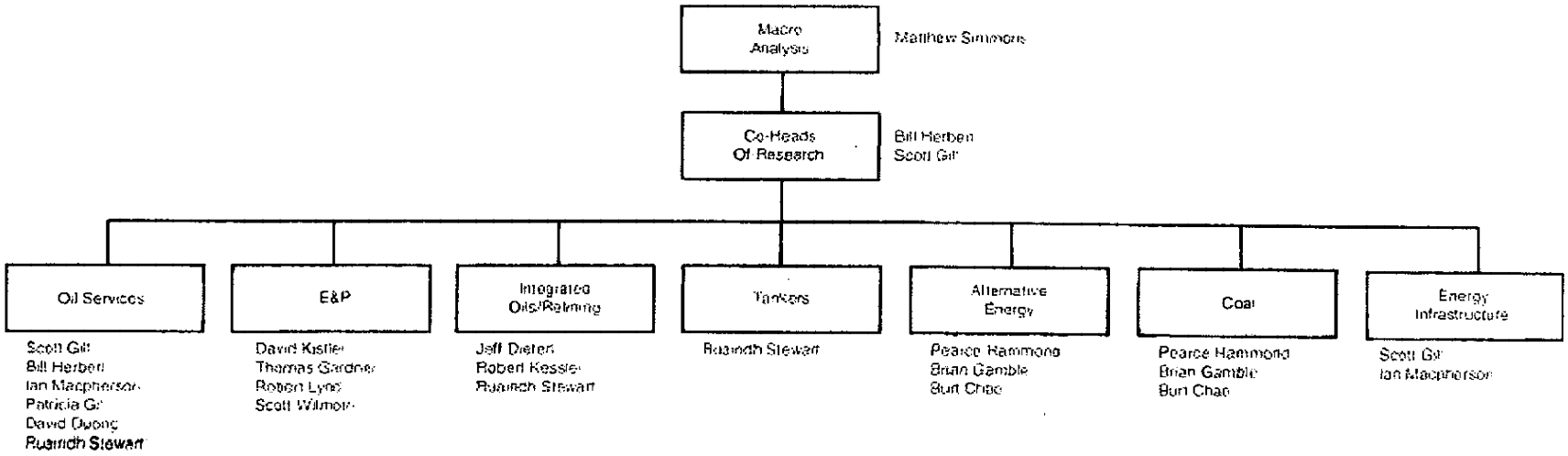
- Simmons entered into the midstream/downstream Corporate Finance arena in 1996. Since that time, the firm has completed numerous midstream/downstream transactions and continues to be a prominent participant in this market.

Client	Role
Andrews Petroleum	Advised on the sale of Andrews Petroleum to Plains All American
Burlington Resources	Advised on the sale of Burlington's West Texas midstream assets to American Oil and Gas.
Calumet	Advised on the purchase of Pennzoil-Quaker State's Shreveport refinery and ownership interests in the Longview Crude Terminal and Brown Station Pipeline
Crystal Flash	Advised on the sale of convenience stores to Speedway SuperAmerica.
Dynegy	Advised on the sale of Dynegy's Mid-Continent gas gathering and processing assets to ONEOK and The Seminole Group
Energy Spectrum Partners	Advised on the sale of Pinnacle Natural Gas to Markwest Energy Partners, L.P. and on the sale of Pueblo Midstream to Bear Cub Energy.
Ensyn Group	Advised on the $85 million sale of heavy oil technology from Ensyn Group to Ivanhoe Energy
Falcon Gas Storage	Advised on the sale of the majority equity interest in Falcon Gas Storage.
Ferrellgas Partners	Advised on the sale of select storage and terminaling assets of Ferellgas Partners to Enterprise Products Partners, L.P.
Holly Corp	Advised on the sale of Holly's Montana Refinery to Connacher.
Huntway	Advised on the sale of Benicia and Wilmington California refineries to Valero
Koch Industries	Advised on the proposed acquisition of Tenneco Gas.
Lewis Energy	Represented Enron and Lewis Energy in the reorganization of Lewis' South Texas gas gathering and E&P businesses
Louisiana Intrastate Gas (LIG)	Advised Gale Galloway and Wasserstein Perella Equity Fund in the acquisition of LIG from Tenneco and its subsequent sale to Arkla.
Mesa Inc	Advised on the proposed sale of Mesa's Mid-Continent natural gas gathering and processing assets
Midcoast Energy Resources	Lead manager in IPO.
National Gas And Oil	Advised on the sale of this publicly-traded natural gas production, gathering and distribution company
NGL Supply	Advised on the sale of NGL Supply to Sonecod Capital.
NGL Ventures	Advised on the sale of NGL Ventures to Occidental Petroleum
Pennzoil	Advised on the formation of Penn Union gas marketing with KeySpan and its subsequent restructuring and sale to Columbia Energy.
Petro-Canada	Advised on the sale of Petro-Canada's integrated NGL business to Conoco
PG&E Corp	Advised on the acquisition of TECO pipeline.
Plains All American	Advised on multiple acquisitions including the crude oil business of Link Energy and Basin pipeline interests from Shell Oil Company. Advised on potential mergers with other MLPs.
Plains/Vulcan	Advised Plains/Vulcan on the acquisition of natural gas storage operations from Sempra Energy.
Ritchie Capital Management	Advised hedge fund on the acquisition of a private equity firm's interests in a crude and refined product marketing, transportation and logistics business
SantaFe Energy	Represented SantaFe Energy in the sale of Hadson Energy to LG&E.
Tenneco	Advised on the sale of Tenneco's MTBE plant and NGL businesses to Enron
TEPPCO Partners	Advised on multiple acquisitions of midstream natural gas, crude oil and downstream petroleum products businesses and assets. Advised on potential mergers with other MLPs.
Texas Eastern Corp	Part of the team that advised in the takeover defense and merger with Panhandle Eastern.
Transco Energy	Advised on the sale of gas gathering and transmission assets.
Union Texas Petroleum	Advised on the sale of UTP's NGL business to TransCanada
U.S. Oil & Refining	Advised on the sale of U.S.O.R. to Astra Oil.
Valero Energy	Advised on the spin-off and merger of Valero Natural Gas Services with PG&E Corporation
Willbros	Advised on the sale of Willbros' Opal natural gas processing facility to Williams.

Selected Midstream/Downstream Transaction Experience

Simmons Has The Largest Equity Research Team In The Energy Industry

- The Simmons research team covers the entire energy industry and includes the largest equity research team devoted to the energy industry.



Based in London

Best Research Team In The Energy Industry

- Simmons' "one-product" focus ensures that its research and institutional sales effort is concentrated exclusively on energy investment opportunities. This focused strategy has created the best energy research and institutional sales team in the business.

Greenwich Associates 2006 Survey Of Institutional Research Rankings For Energy Service Subsector[1]

Research Analyst Quality - SIMMONS & COMPANY #1

Best Original Research - SIMMONS & COMPANY #1

Best Industry Knowledge - SIMMONS & COMPANY #1

Most Trusted - SIMMONS & COMPANY #2

Institutional Investor's "Best Boutiques And Regional Firms" 2006[2]

Oilfield Services And Equipment	Oil And Gas Exploration And Production	Integrated Oil
Best Firm - SIMMONS & COMPANY	Honorable Mention - SIMMONS & COMPANY	Best Firm - SIMMONS & COMPANY

Institutional Investor's "All-America Energy Sales Team" 2006

SIMMONS & COMPANY #2

[1] Survey based on institutional analyst (fund manager) evaluations for oilfield services and equipment

[2] Published in Institutional Investor magazine, December 2006

Equity Research Coverage List

- Simmons provides individual research coverage on approximately 135 companies in addition to research on macroeconomic and industry trends.

Ticker	Company Name
Energy Service Large Cap Diversified (3)	
BHI	Baker Hughes
HAL	Halliburton
SLB	Schlumberger
Energy Service Mid And Small Cap Diversified (20)	
BJS	BJ Services
CRR	CARBO Ceramics
CAM	Cameron International
GTLS	Chart Industries
CPX	Complete Production Services
DRC	Dresser-Rand
DRQ	Dril-Quip
FTI	FMC Technologies
GHI	Grant Prideco
HLX	Helmerich & Payne
HYC	Hydril
LBS	Lone Star Technologies
NOV	National Oilwell Varco
OII	Oil States International
SII	Smith International
SPN	Superior Energy Services
SWS	Superior Well Services
UCO	Universal Compression
WHQ	W-H Energy Services
WFT	Weatherford International
Offshore Drillers (9)	
DO	Diamond Offshore
ESV	ENSCO International
GSF	GlobalSantaFe
HERC	Hercules Offshore
NE	Noble
PDE	Pride International
RDC	Rowan Companies
THE	TODCO
RIG	Transocean
Offshore Transportation (5)	
BAS	Bristow Group
HOS	Hornbeck Offshore Services
PHX	PHI
TDW	Tidewater
TRMA	Trico Marine
Land Drilling And Well Service (5)	
GW	Gray Wireline
KEG	Key Energy Services
NBR	Nabors Industries
PTEN	Patterson-UTI Energy
PDS	Precision Drilling

Ticker	Company Name
Offshore Construction (5)	
ACGY	Acergy
DVR	Cal Dive International
HLX	Helix Energy Solutions
OII	Oceaneering
TKP	Tidewater
Seismic (4)	
IO	InputOutput
OYOG	OYO Geospace
PGS	Petroleum Geo-Services
TGSO	TGS-Nopec Geophysical Company
Non-U.S. Listed European Companies (7)	
ASGLN	Aker Group
EXBLN	Expro International Group
FUGR NA	Fugro N.V.
WGLA	John Wood Group
PRS NC	Prosafe
SAM SS	Saipem
SBMO NA	SBM Offshore
Integrateds (15)	
BRG	BG Group
BP	BP
CVX	ChevronTexaco
COP	ConocoPhillips
E	Eni
XOM	ExxonMobil
HES	HESS
MRO	Marathon Oil
NHY	Norsk Hydro
OXY	Occidental Petroleum
PCZ	Petro-Canada
REP	Repsol
RDS	Royal Dutch Petroleum
STO	Statoil
SU	Sunoco Energy
TOT	TOTAL
Alternatives (8)	
BLDP	Ballard Power
ESLE	Energetech Solar
FCEL	FuelCell Energy
HOO	Headwaters
RTK	Rentech
PLUG	Plug Power
SPWR	SunPower
VWS DC	Vestas
Coal (6)	
ACI	Arch Coal
ANR	Alpha Natural Resources
CNX	Consol Energy
FCL	Foundation Coal
MEE	Massey Energy
BTU	Peabody Energy

Ticker	Company Name
Refining (3)	
SUN	Sunoco
TSO	Tesoro
VLO	Valero
E&P (26)	
APC	Anadarko Petroleum
APA	Apache Corporation
BBG	Bill Barrett
CHK	Chesapeake Energy
DPTR	Delta Petroleum
DNR	Denbury Resources
DVN	Devon Energy
EAC	Encore Acquisition
EOG	EOG Resources
FST	Forest Oil
GSX	Gasco Energy
GDP	Goodrich Petroleum
GPOR	Gulfport Energy Corp.
MUR	Murphy Oil
NFX	Newfield Exploration
NBL	Noble Energy
PXD	Pioneer Natural Resources
PXP	Plains Exploration & Production
PPP	Pogo Producing
KWK	Quicksilver Resources
RRC	Range Resources
SWN	Southwestern Energy
SGY	Stone Energy
THX	The Houston Exploration Company
WLL	Whiting Petroleum
XTO	XTO Energy
Tankers (11)	
ANDV	Aegean Marine Petroleum
FRO	Frontline
GMR	General Maritime
VLCCF	Knightsbridge Tankers
NAT	Nordic American
OMM	OMI Corp.
OSG	Overseas Shipholding
SFL	Ship Finance
TOO	Teekay Offshore Partners
TK	Teekay Shipping
TNP	Tsakos Energy Navigation
Energy Infrastructure (7)	
GTLS	Chart Industries
CBI	Chicago Bridge & Iron
FLR	Fluor Corporation
JEC	Jacobs Engineering Group
KBR	KBR
NOV	Noble Corporation
SGR	Shaw Group

MUSE
STANCIL

SERVICES AND QUALIFICATIONS

2007

Real World Expertise

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United Kingdom
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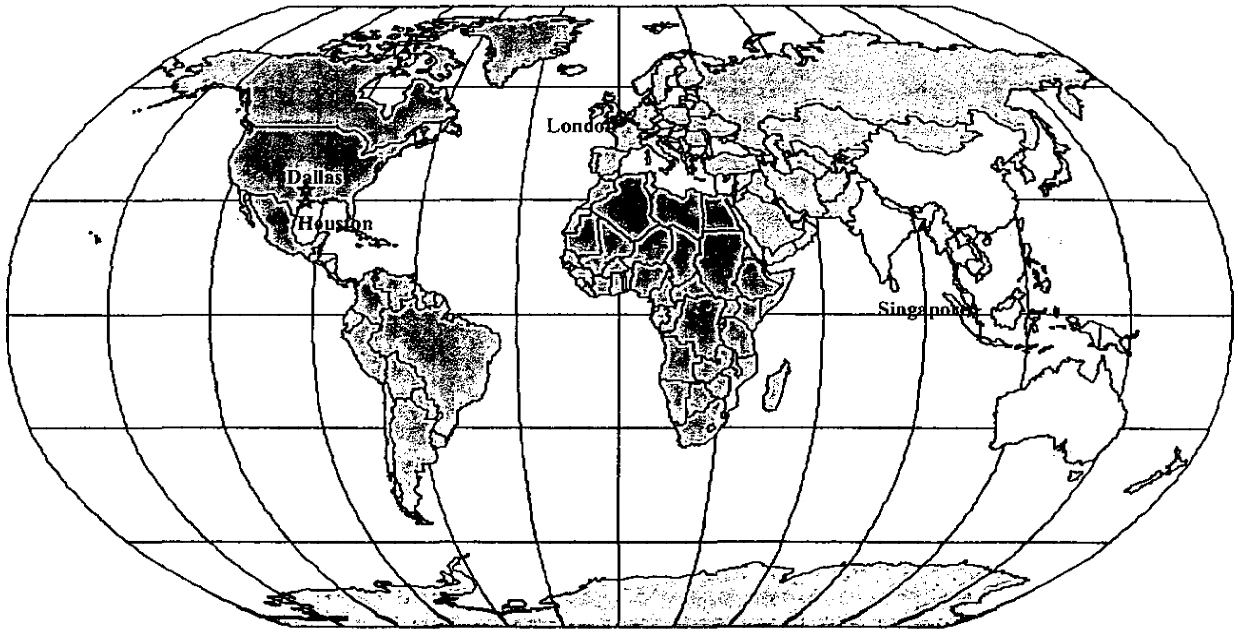
Fax: 44 (0) 207-374-8995

Level 58 Republic Plaza
9 Raffles Place
Singapore 048619
Phone : (65) 6832-1341
Fax : (65) 6832-1491

MUSE AT A GLANCE

- A global consulting firm specializing in the energy industry
  - Incorporated in the state of Texas in 1983, headquartered in Dallas
  - Industry professionals with a unique blend of hands-on experience and industry insight
- International offices provide global business perspective



MUSE'S GLOBAL OPERATIONS

- *Bridging the gap between operations and financial perspectives*
- *The leader in M&A advisory*
- *Foremost in global lubricants industry*
- *PIMS LP license since 1985*
- *Extensive relationships with all major banks*
- *The leader in privatizations, first in CIS and Eastern Europe*

MUSE
STANCIL

. . . . . Turn to Muse for expertise you can trust

MUSE SERVICE OFFERINGS

A LEADING CONSULTANCY WHICH SPECIALIZES IN THE DOWNSTREAM PETROLEUM INDUSTRY

MERGERS AND ACQUISITIONS

- Mergers and Acquisitions
- Privatizations
- Bankruptcy Workouts
- Project Finance
- Due Diligence

VALUATION

- Valuation
- Supply and Demand Studies
- Price and Margin Forecasts
- Asset Appraisals

BUSINESS STRATEGY

- Transfer of Intellectual Capital
- Commercial Enhancements to Business Operations
- Commercial Contract Review/Negotiation Support
- Earnings Protection
- Risk/Return Assessments

ASSET PERFORMANCE

- Operations Optimization
- Technology Assessment and Selection
- Process Modeling
- Regulatory Compliance Strategies

COMMERCIAL DEVELOPMENT

- Deal Structure Development and Negotiations
- Market Creation and Commercialization
- Risk Management Balancing Between Parties
- Commercial Support For Project Financing

DISPUTE RESOLUTION

- Litigation Support
- Expert Testimony
- Settlement Negotiation/Evaluation
- Mediation Support
- Insurance Disputes

Gas Processing • Refining • Marketing • Logistics • Petrochemicals • Cogeneration

MUSE STANCIL

PERSONNEL EXPERIENCE AND EDUCATIONAL SUMMARY

OUR PROFESSIONALS HAVE UNPARALLELED EXPERIENCE FROM MANY OF THE WORLD'S PREMIER ENERGY COMPANIES

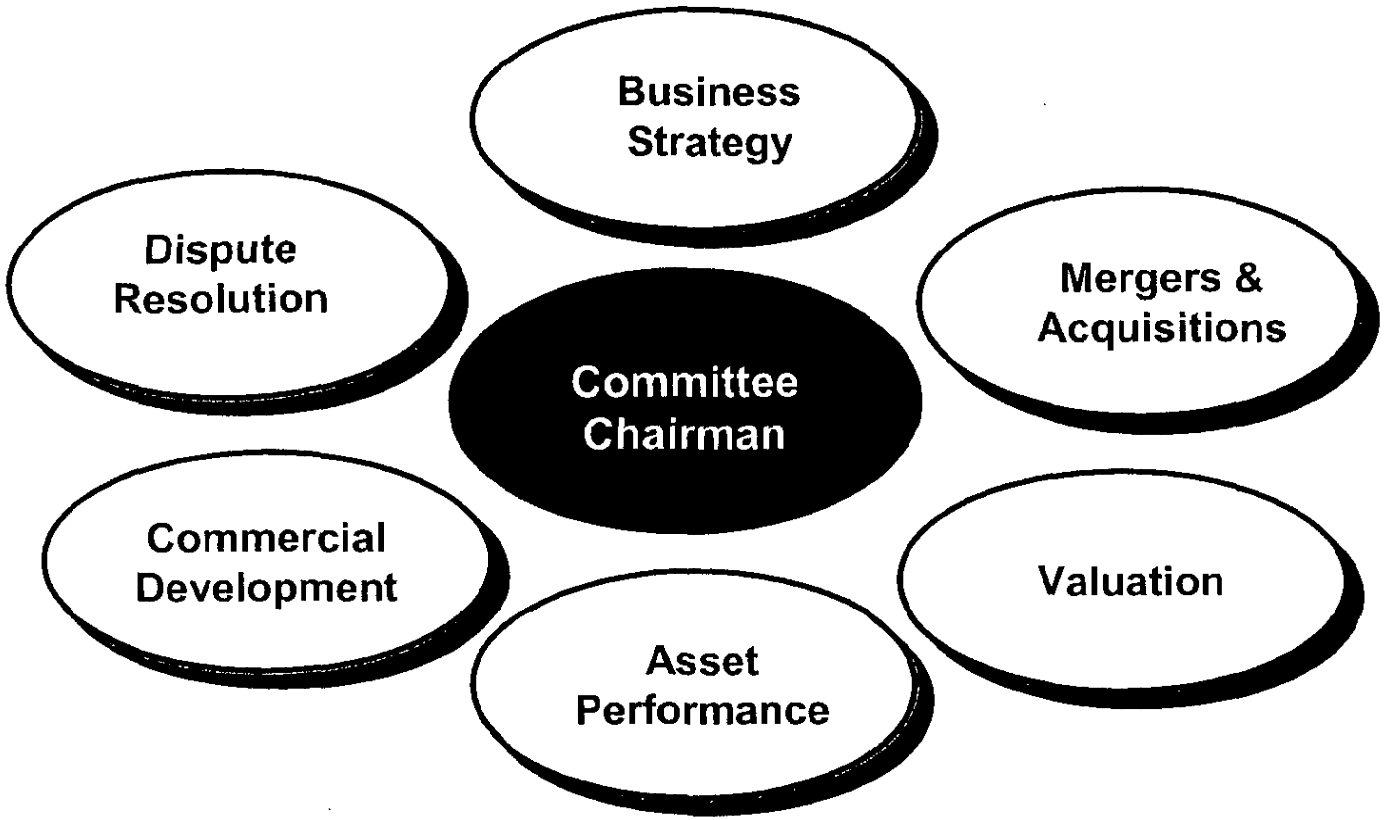
	Years of Experience			Education		
	Industry	*Consulting*	*Total*	*Bachelors*	*Advanced*	*Industry Experience*
Thomas P. Muse	10	38	48	ChE	ChE	Arkla, Placid, Purvin & Gertz
Enrico Sismondo	37	8	45	ChE		Caltex, Kensis International (Singapore)
Dennis J. McCormick	33	6	38	BS	MBA	ESSO, Commonwealth, Hamilton Oil, Hermes
Peter J. Killen	9	30	39	ChE		Marathon, PACE, Ernst & Young/Wright Killen
Michael J. Lovett	9	27	36	ChE		Imperial Oil, Exxon, Esso, Purvin & Gertz
Ken Cowell	23	10	33	ChE		BP, Mobil
Bradford L. Stults	26	6	32	BS	MS	Unysis, Koch
W. Paul Ruwe	26	6	32	ChE		Reliant Energy, Destec Energy, Lyondell
Horace O. Hobbs, Jr.	11	15	26	ChE		PACE, Ernst & Young/Wright Killen, Brown & Root
Kevin A. Giles	11	15	26	ChE		Exxon Company, Barnes & Click, Stancil & Co.
Neil K. Earnest	11	15	26	ChE	MBA	Phillips
Lesa S. Adair	11	14	25	ChE	MBA	ARCO
Tim Bennett	16	9	25	ChE		M.W. Kellogg, Mobil
Luisa Sykes	13	11	24	BA	MSc	James Capel, TMR International, Carratu
John N. Renwick	15	7	22	Eng		Exxon, Imperial Oil
Tod McGreevy	17	4	21	ChE		El Paso, Lyondell Citgo, Phibro, Fletcher
Susan L. Starr	10	9	19	ChE	ChE, MBA	Conoco, ARCO
Sharon Keeler	10	6	16	BA		Enserch, Allegro
Sharon R. Rhoton	1	12	13	BA	MBA	Accenture
Jon Poglitsch	7	1	8	ChE	MBA	Westinghouse, Dow Chemical, American Airlines
TOTAL	**306**	**249**	**555**			
AVERAGE	**15**	**12**	**28**			

MUSE
STANCIL

Offering solutions based upon real world expertise

MUSE MANAGEMENT

MUSE'S SERVICE OFFERINGS ARE PROVIDED UNDER THE DIRECTION OF THE FIRM'S SENIOR MANAGEMENT



MUSE STANCIL

REPRESENTATIVE CLIENT LIST

FINANCIAL INSTITUTIONS
American Capitla
Banque Paribas
Bank of America
Bank One
Citigroup
Credit Suisse First Boston
DKW
EBRD
G.E. Capital
Goldman Sachs
JP Morgan Chase
Merrill Lynch
OPIC
PWC Securities
Standard & Poor's
Trust Company of the West
U.S. Eximbank
World Bank
West LB

INSURANCE INDUSTRY
AIG
Cunningham
Leucadia
Royal

SERVICE COMPANIES
Air Products
Bechtel
Foster Wheeler
ACI Capital

OIL COMPANIES
AGIP
Alon USA
Anadarko
BHP
BP
Cenex
ChevronTexaco
Citgo
CMS
ConocoPhillips
Corral
Crown Central
Daewoo
Dreyfus
El Paso Corporation
Emera
EnCana
Express Pipeline
Exxon Mobil
Frontier Oil
Galp
Glencore
J. Aron
Koch Industries
Lukoil
Lyondell-Citgo
Marathon Ashland
Murphy Oil Corporation
Nimir
PanCanadian
Paramount
PDVSA

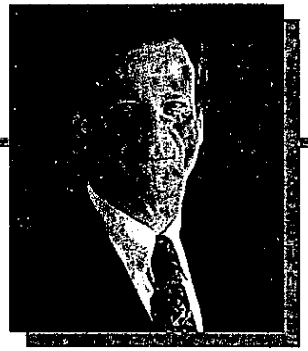
OIL COMPANIES (continued)
Petrobras
PetroCanada
PetroYemen
Saudi Aramco
Shell
Southern California Edison
Statoil
Sunoco
Tesoro
Texas New Mexico Power
Texas Utilities Fuel Co.
Total Fina Elf
Unocal Valero
Vitol
Williams Energy

GOVERNMENTS AND STATE AGENCIES
Ecopetrol – Colombia
Government - Lithuania
Ministry of Capitalization - Bolivia
Ministry of Privatization - Turkey
Ministry of Industry - Greece
Ministry of Capitalization - Morocco
Nafta Polska -Poland
NNPC - Nigeria
PeruPetro -Peru
Petrobras -Brazil
Petronas - Malaysia
State of Alaska

LAW FIRMS
Akin, Gump, Hauer & Feld
Allen & Overy
Bracewell & Patterson
Davis & Russo
Eastham, Watson, Dale & Forney
Freehill, Hillingdate & Page
Fulbright & Jaworski
Haynes & Boone
Jenkens & Gilchrist
Kliewer, Breen, Garatoni, Patterson & Malone
Mayer, Brown, Rowe, & Maw
McDade, Fogler & Maines
Oreck, Bradley, Crighton, Adams & Chase
Patton Boggs
Perkins Coie
Susman & Godfrey
Thompson & Knight
Vinson & Elkins
Watt, Beckworth & Thompson
Winstead, Sechrest & Minick
Zelle, Hofman, Voelbel, Mason & Gettie

PIPELINES AND UTILITIES
CMS
Enbridge
Express Pipeline
Colonial Pipeline
Southern California Edison
Texas Utilities Fuel Company
Texas New Mexico Power

CHAIRMAN



Tom Muse
Chairman of the Board

EDUCATION: B.S. Chemical Engineer, Louisiana Tech
1965 M.S. Chemical Engineering, Louisiana Tech

PREVIOUS POSITONS: 1968-1984 Purvin & Gertz, Inc., 1964-1968 Placid Oil, 1959-1964 Arkla Gas Company

- Tom Muse has over 30 years of experience in developing projects in the petroleum process industry. He has been instrumental in creating and implementing companies and joint ventures to develop and operate plants, pipelines, and marketing activities. He has served as an advisor to many companies and institutions in numerous countries.
- Tom begin his career as a process engineer for Arkla Gas Company where he was involved in project evaluation and operations management. While with Placid Oil Company, he was responsible for developing and managing joint ventures and processing projects. In 1968, he became a consultant for Purvin & Gertz, Inc. Since then Tom has served clients around the world. He co-founded Muse, Stancil & Co. in 1984, and has been a director or chief executive officer of numerous operating companies.

REPRESENTATIVE EXPERIENCE:

- Start-up Company – Directed the development, financing, and management of a gas marketing company which included a natural gas liquids extraction and fractionation plant and negotiated its sale to a public company
- Refining – Negotiated the sale and restructuring of an ownership position in a company owning a high conversion petroleum refinery. Served on the board for the owner group.
- Project Development – Assisted in the development of a worldscale MTBE and methanol production facility and served as a director of the joint venture during formative stages.
- Joint Venture Coordination – Coordinated joint venture partners participating in the construction of a large natural gas liquids facility. Developed a liquids marketing system.
- Natural Gas Liquids Facility Evaluation – Directed team in evaluating a large natural gas liquids fractionation and storage facility and associated petrochemical plant.
- Marketing Company Evaluation – Headed the evaluation of a large marketing company subsequently sold by a major chemical company.
- Gas Pipeline Company – Created and managed a joint venture company formed to build a pipeline and sell natural gas to a large industrial consumer.

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PRESIDENT AND CEO

Mike Lovett
President and CEO

EDUCATION: Bach. Degree in Chemical Engineering, McMaster University

PREVIOUS POSITONS: 1979-1992 Purvin & Gertz, Inc., 1977-1979 Esso Resources, 1976-1977 Exxon, 1971-1976 Imperial Oil

- Mike Lovett's career has seen an emphasis in petroleum refining and marketing and petrochemicals. Assignments have included project development and management, asset valuation for acquisition and divestiture, refinery operational analysis, market and price analysis, and new product valuation. Mike has also presented numerous papers, conducted technical seminars, and testified as an expert witness.
- Mike has worked in the energy industry over 30 years. Initially with Imperial Oil, he was involved in refinery operations and planning, and heavy oil upgrading. Mike worked with Purvin & Gertz for 13 years, five of which were spent in London. Mike also assisted in establishing Muse's London office from 1992 to 1994. As a consultant, Mike has worked on a broad range of assignments. His clients include producers, manufacturers, financial institutions, and governments in the United States, Canada, Latin America, Europe, Africa, and the Middle East.

REPRESENTATIVE EXPERIENCE:

- Market Analysis – Managed a major study of the issues facing the refining and marketing industry in Western Europe. Utilized linear program models for regional analysis. Addressed supply-demand, new capacity requirements, and long-term profitability through the study.
- Project Advisor – Acted as technical and market advisor for a consortium of international banks in support of a worldscale methanol and MTBE project under development in the Middle East.
- Refinery Operations – Directed a study examining the technical, financial, and economic feasibility of the proposed modernization of a large Caribbean refinery. Submitted recommendations for the refurbishment of idle process units and new capital additions, as indicated by the study.
- Project Development – Worked on the development of a multi-billion dollar heavy oil upgrading project acting as the owner's representative for a major oil company. Performed technology selection, capital cost estimates, and contractor selection among other responsibilities.
- Acquisitions – Prepared, on behalf of a Middle East producer, detailed valuations of the refining and marketing assets of a number of major oil companies in Western Europe, Canada, and the United States, in support of a program for downstream integration.

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MERGERS AND ACQUISITIONS

Neil Earnest
Vice President

EDUCATION: 1981 B.S. Chemical Engineering, Michigan State University, 1986 M.B.A. University of Houston

PREVIOUS POSITONS: 1981-1991 Phillips Petroleum Company

PRACTICE LEADER – MERGERS AND ACQUISITIONS

- Mr. Earnest is a Vice President and Director of Muse primarily focusing on petroleum refining and marketing, and petrochemicals. Prior to joining Muse in 1991, Mr. Earnest was with Phillips Petroleum Co. for 11 years in a variety of refinery and headquarter positions. As a consultant, he has worked on a broad range of assignments in the U.S., Canada, Western and Central Europe, Middle East, Australia, Africa, China, Latin America, and Russia. Mr. Earnest holds a B.S. degree in chemical engineering and an M.B.A. degree. He is a registered Professional Engineer in Texas.

REPRESENTATIVE PRACTICE AREA ASSIGNMENTS:

DOWNSTREAM M&A

- Assisted diverse clients considering the acquisition or sale of numerous refineries, pipelines, and retail assets throughout the United States, Europe, Africa, South America, and Asia Pacific.

GAS PROCESSING ASSESSMENT

- Assisted Hicks, Muse & Co. in its due diligence on the $700 million acquisition of the natural gas liquids (NGL) division of Oxy USA Inc. (Trident NGL, Inc.), comprised of interests in 40 gas processing plants and four fractionation facilities in the southern U.S.

ASSET PERFORMANCE

John Renwick
Principal

EDUCATION: 1985 B.S. Chemical Engineering
Queen's University

PREVIOUS POSITONS: 1999 Imperial Oil,
1996-1998 Exxon, 1985-1996 Imperial Oil

PRACTICE LEADER – ASSET PERFORMANCE

- Mr. Renwick is a Principal of Muse responsible for managing the asset performance practice area. He has 20 years experience focused in the refining, marketing, and petrochemicals sector world wide. He began his career with Exxon affiliate, Imperial Oil. His extensive industry experience has included refinery process engineering, project design and construction, unit start-ups, operations planning and execution, refinery operations management, and refinery optimization of Exxon facilities worldwide. Since joining Muse in 1999, Mr. Renwick has applied his strong technical, operations, and economic understanding of the business in assisting clients in the U.S., Canada, Latin America, Europe, Asia, and Australia. As a consultant, his broad range of engagements have included refinery operations analysis, asset valuations in support of mergers and acquisitions, project evaluations, market studies, and refinery competitive analysis. Mr. Renwick is adept in the construction and use of LP models to facilitate complex refinery valuations and operations analysis.

REPRESENTATIVE PRACTICE AREA ASSIGNMENTS:

U.S. REFINERY COMPETITIVE ANALYSIS

- On behalf of a major U.S. refining and marketing company, Muse undertook a study to assess the competitiveness of key refineries in each of the major U.S. refining regions. This analysis included both historical and future performance in the context of new clean fuels regulations.

THAI PETROCHEMICAL INDUSTRY'S ADVISOR

- Muse has been retained since 2000 to advise on Thai Petrochemical Industry's $3.5 billion debt restructuring to provide business planning guidance and physical asset assessment for a fully-integrated petrochemical and fuels refining complex in southeast Asia. Muse has delivered recommendations that were initiated in operations optimization, LP modeling, and business planning practices. "Muse has added considerable value by clearly understanding TPI's complex economic and operational issues while also identifying best practices for the company and its key subsidiaries." said Anthony Norman, managing director of Effective Planners.

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VALUATION

Susan L. Starr
Principal

EDUCATION: B.S. Chemical Engineering – 1987, Oklahoma State University; M.S. Chemical Engineering – 1988, Oklahoma State University; M.B.A. Finance – 1993, Southern Methodist University

PREVIOUS POSITONS: ARCO International Oil and Gas Company 1994 – 1997; ARCO Exploration and Production Technology 1993 – 1994; ARCO Oil and Gas Company 1989 – 1993; Conoco, Inc. 1988 – 1989

Susan Starr is a Principal with 17 years of upstream and downstream energy experience. Susan's experience includes refining, gas processing, transportation, marketing, power, and oil and gas production. Assignments have included economic and commercial evaluations for acquisitions, divestitures, joint ventures, project analysis, and market and price analysis. Susan's primary contributions on valuation projects include economic analysis, cash flow modeling, discount rate analysis, and determining market-derived asset values.

Susan's background with Conoco and ARCO included process design and optimization, as well as financial analysis and business support.

Susan joined Muse, Stancil & Co. in 1997 and has consulted on a number of refining, marketing, and gas plant valuation projects throughout the U.S.

REPRESENTATIVE VALUATION EXPERIENCE:

Valuation of Refining and Marketing Company – On behalf of an existing investor, provided a valuation by business-line of an independent refiner and marketer. Business-line valuations were completed on a discounted cash flow analysis for East Coast refining, Mid-continent refining, retail assets, and wholesale marketing.

Valuation of Gas Processor and Distributor – Performed an economic valuation of the gas processing, purchasing, and distribution business of a company. This included the review of contracts for purchase and sale of gas, assets, marketing strategy, and projected prices.

Retail Valuation – Completed a market valuation of a large U.S. retail marketing company, including company-owned and jobber outlets. Analysis included regional discounted cash flow analysis, trends in margins, and expected capital requirements.

Gas Plant Valuation – For financing, completed a valuation of a large U.S. gas processing plant utilizing discounted cash flow analysis. This included analyses of contracts, pricing, operations, and downstream costs to market.

DISPUTE RESOLUTION

Lesa Adair
Vice President

EDUCATION: 1983 B.S. Chemical Engineering
Oklahoma State University, 1993
M.B.A. Finance, Southern Methodist University

PREVIOUS POSITONS: 1982-1992
ARCO Oil and Gas Company

PRACTICE LEADER – DISPUTE RESOLUTION

- Ms. Adair is a Vice President and Director at Muse where she consults with a wide variety of client groups on valuation and due diligence issues associated with both public and private transactions in the energy sector. Since joining Muse in 1992, she has taken an active role in the firm's assignments related to mergers, acquisitions, divestitures, and project assessment/development for clients in the transportation, processing, refining, marketing, and electrical generation sectors of the energy industry. In addition to her business valuation skills, Ms. Adair has extensive industry experience gained in a 10-year career at ARCO Oil & Gas company where she led efforts in project evaluation/development, held several positions in operations management, and gained direct commercial experience as a crude oil trader. Ms. Adair holds a B.S. degree in chemical engineering and an M.B.A. with concentration in finance. She is a registered Professional Engineer in Texas.

REPRESENTATIVE PRACTICE AREA ASSIGNMENTS:

PROJECT DEVELOPMENT, PUBLIC INTEREST

- Provided expert testimony before the Alaska State Legislative Budget and Audit Committee regarding the development of the Alaska Natural Gas Pipeline Project and the possibilities for in-state utilization of natural gas and natural gas liquids produced from the pipeline.

CONTRACT DISPUTE

- Retained to interpret portions of gas processing contract, formulate expert opinions, and provide expert testimony regarding the plant facilities, the gas gathering facilities, recovery of natural gas liquids and condensate, and accounting/allocation of natural gas liquids and condensate

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COMMERCIAL DEVELOPMENT

Paul Ruwe
Principal

EDUCATION: 1974 B.S. Chemical Engineering – California State University-Long Beach

PREVIOUS POSITONS: 1999-2001 Reliant Energy; 1997-1999 Muse, Stancil & Co.; 1990-1997 Destec Energy; 1985-1990 Lyondell Petrochemical; 1974-1985 Atlantic Richfield Company

PRACTICE LEADER – COMMERCIAL DEVELOPMENT

- Mr. Ruwe is a Principal of Muse focusing on the commercial development of downstream energy projects. He has worked in the energy industry for over 25 years in a number of roles in the refining, petrochemical and electric power sectors. Paul has experience in managing plant operations and improving organization performance. He also has extensive experience in the development, financing and management of power projects in the U.S. and Asia.

REPRESENTATIVE PRACTICE AREA ASSIGNMENTS:

PROJECT DEVELOPMENT

- Directed several development teams and negotiated power, steam, and fuel contracts for several power projects in the U.S. and Asia. Financed and refinanced power and coal gasification projects.

INDEPENDENT ENGINEER

- Directed a number of acquisition due diligence reviews for power generation, gas processing, and refining facilities.
- Served as technical, economic, and manager of several project finance workouts.

BUSINESS STRATEGY

Horace O. Hobbs, Jr.
Managing Director – Houston

EDUCATION: BSChE, University of Houston, 1984, Smithsonian Summer Fellowship – 1984

PREVIOUS POSITONS: Longhorn Partners Pipeline, 1998-2003; Ernst & Young Wright Killen, 1996-1998; Wright Killen & Company, 1992-1996; The Pace Consultants, Inc., 1989-1992; Brown & Root, Inc., 1985-1989

PRACTICE LEADER – BUSINESS STRATEGY

- Horace has spent the past 23 years in the downstream energy industry primarily as a consultant, and more recently, as a startup venture executive. Horace has spent over 13 years as a management consultant advising the U.S. and foreign downstream energy sector in strategy and business development. Horace spent the early years of his career as a chemical engineer involved in process design and advanced process control applications for refining.
- Horace has been responsible for a wide range of consulting activities for the refining and petrochemical industries and related energy, service, and financial businesses. His more recent work focused on corporate strategy development, planning, and management in the refining and marketing sector He has provided consulting in the areas of economic, investment, and financial analysis, planning and forecasting, and process design and operations. He has been responsible for refinery planning and feasibility studies, strategy evaluation, project management support, and conceptual process design of various refinery units.
- Horace's consulting clients have included: Exxon Company USA, The Williams Companies, Conoco, Phillips Petroleum, Shell Oil Products, Chevron USA, ARCO, Sun Company, Unocal, Witco Corporation, Lyondell Petrochemical, Citgo, Petroleos de Venezuela, Tosco, Ashland and Crown Central.

REPRESENTATIVE PRACTICE AREA ASSIGNMENTS:

- Developed wholesale marketing strategies for several integrated and independent refined product marketers. Individual assignments have covered the full spectrum of refined products including gasoline and distillates, feedstocks, residuals, and petroleum coke.
- Developed strategies and business plans for midstream transportation companies, catalyst manufacturers, engineering and construction contractors, shipping concerns, and additive manufacturers.
- Led several refinery diagnostic evaluations leading to significant performance improvement in areas of refinery operation, integration, organization, and supply.
- Analyzed gasoline retail marketing in areas of planning, construction cost, and supply optimization, and brand strategy.
- Performed numerous diagnostic evaluations of various petroleum refiners' marketing/supply interface for the entire range of fuels products and specialties such as lubricants, waxes, and asphalt:

MERGER AND ACQUISITION

REFINERY ACQUISITION

On behalf of a major U.S. oil company, provided technical and economic analysis in support of the acquisition of a foreign refining and marketing company. The work included development of a supply/demand and pricing/margin outlook, a review of the geopolitics factors, and an assessment of the company's competitive refining and products marketing position.

VALUATION OF MAJOR U.S. REFINING AND MARKETING COMPANY

On behalf of a major European oil company, and in conjunction with a large London-based financial institution, undertook a detailed technical and economic analysis of a U.S. refining and marketing company, in support of possible acquisition. The work involved visits to the major assets including two state-of-the-art refineries, and wholesale and retail marketing assets across eleven states, and interviews of key personnel. A fair market value was derived based on proforma cash flow, with sensitivities reflecting future potential improvements in operation.

PRIVATIZATION OF REFINERIES IN MOROCCO

Assisted the government in the privatization of the SCP refinery and associated terminals in Morocco. Muse Stancil's efforts included visits to the facilities, valuation of the assets, and preparation of an offering memorandum. At a later date, assisted an investor in the evaluation of the SAMIR refinery for potential investment.

NORTHWEST EUROPEAN REFINERY

Prepared an evaluation of a refinery for potential acquisition by a confidential client. The market value of the facility was estimated using three standard valuation methods: profitability analysis, physical asset appraisal, and comparable sales. Profitability analysis included evaluation of the refinery's competitive position relative to recent and proposed changes in product specifications in the Northwest European market.

U.S. GAS GATHERING AND STORAGE

Assisted Pacificorp, a large U.S. West Coast utility, in the evaluation of TPC Corporation. TPC's assets included gas gathering, gas processing, and gas storage facilities. The resulting acquisition was in excess of $400 million.

MARKET ANALYSIS

OVERVIEW OF AUSTRALIAN REFINERY CAPABILITIES

Reviewed the flexibility of the Australian refining system to cope with a changing crude oil slate resulting from declining Bass Strait availability and new Australian discoveries. Client used the conclusions and recommendations in a petition to the government on new oil industry legislation.

EASTERN U.S. AND CANADA PRODUCTS MARKET ANALYSIS

On behalf of a major oil producer and refiner, undertook a detailed analysis of refining and marketing opportunities in the eastern U.S and Canada. The work included supply/demand and pricing analysis, an overview of the market dynamics, and an overview of the major players and their competitive position.

PACIFIC BASIN CONDENSATE/NAPHTHA SUPPLY OUTLOOK

Undertook a complete assessment of the future supply/demand balance for condensates and naphthas in the Pacific Basin region. Study included an analysis of the abilities of various refiners to deal with increased condensate supplies and future price trends for condensates versus light crudes.

U.S. NGL SUPPLY AND DEMAND ANALYSIS

Furnished an analysis of the demand for natural gas liquids (NGL) products as feedstocks to the petrochemical industry, the availability of supplies of ethane and ethane/propane mix to U.S. Gulf Coast olefins producers, and the level of current and future NGL fractionation capacity.

WEST AFRICAN CRUDE MARKETING ANALYSIS

Estimated the value of crude oil produced from a new field in West Africa. Analysis included an assessment of value for typical U.S. Gulf Coast and Northwest Europe refiners, plus a detailed analysis of value in the local hydrocracking refinery.

NORTH AMERICAN CRUDE OIL SUPPLY AND DEMAND STUDY

Provided a detailed assessment of historical and estimated future crude and product supply and demand in Petroleum Administrative Defense Districts (PADDs) II and IV regions of the U.S. for the proposed Express Pipeline project. The objective of the study was to determine the viability of a new crude pipeline to supply Canadian crude oil into these markets.

DISPUTE RESOLUTION

VALUATION OF OVERRIDING ROYALTY INTEREST, EQUATORIAL GUINEA

Retained to analyze and formulate expert opinions regarding the methodology being utilized by operator of offshore concession to determine the market value of natural gas liquids and condensate being produced for export from Equatorial Guinea. Analyses included completion of an audit of prior payments made to the holder of the Overriding Royalty Interest as well as evaluation of the fair market value of the products.

GAS PROCESSING CONTRACT, INDEPENDENT OPERATOR - TEXAS PANHANDLE

Retained to assess gas settlement accounting under an existing contract and prepare an independent valuation of damages due the producer. Assisted producer in negotiation of damage settlement resulting in producer's recovery of all outstanding amounts. Provided support to producer in follow up negotiations with processor to negotiate a new gas processing contract.

WORKOUT ADVISORY, SYNDICATED BANK DEBT- SOUTHWESTERN U.S,

Retained by creditors to evaluate the ongoing operations of a crude oil gathering and marketing company operating in conjunction with a merchant refiner located in the southwestern U.S. Work included the assessment of crude oil gathering pipeline operations, trucking operations, system inventory, contract analysis, and risk management activities. Completed a detailed economic analysis of historic profitability and constructed pro forma analysis of business including new venture opportunities.

PROJECT DEVELOPMENT AND CONSTRUCTION – U.S. GULF COAST

Retained as consulting expert to provide commercial and technical assistance to counsel in dispute over ethylene plant project development and construction. Dispute focused on commercial aspects of technical design, construction, and operation of a grassroots ethylene plant.

EXPERT OPINIONS, 11th LARGEST BANKRUPTCY PROCEEDING IN U.S. HISTORY

Developed opinion and provided expert testimony regarding the enterprise value of a multi-national energy company as part of bankruptcy proceeding. Valuation included a detailed discounted cash flow and comparable company earnings multiple analyses.

PETROLEUM REFINING

U.S. REFINERY UPGRADE STUDY

Assisted the client with the identification and analysis of an optimum heavy oil upgrade project. Role included (1) development of the feedstock and product price forecast, (2) analysis of process alternatives using PIMS LP analysis, (3) evaluation of alternate crude slates, and (4) economic modeling of alternate cases.

HEAVY CRUDE UPGRADING ANALYSIS

Evaluated the technical and economic feasibility of heavy crude upgrading schemes for U.S. refineries. The studies have included coking, supercritical extraction, hydroconversion, and hydrotreating in combination with catalytic cracking.

LITHUANIAN REFINING REFINERY VALUATION

Evaluated processing and investment opportunities in a Lithuanian refinery. Assessed input and production balances, transportation logistics, terminal operations, pipeline requirements, and operating efficiency. Developed linear program model to evaluate investment scenarios. Determined crude and product marketing requirements and price projections. Assisted in joint venture negotiations and contract development.

PETROPERU S.A. REFINERY ANALYSIS

Evaluated technical and economic performance of three Petroperu refineries in La Pampilla, Conchan, and Talara. Identified opportunities to improve refinery operations and quantified the economic benefit of both modest and major capital projects.

COLOMBIAN REFINERY UPGRADE ANALYSIS

Assisted the client with a detailed evaluation of its existing lubricant refinery and recommended the most appropriate modifications and upgrades to its configuration. This study included the consideration of hydrocracking technology for lubricant manufacture, and involved considerable PIMS modeling.

ELECTRIC POWER

INDEPENDENT POWER PROJECT FEASIBILITY, SIBERIA

Muse Stancil advised an investor in the feasibility of an independent power project in Siberia. The first 48 MW block of power generation facility is currently in development with an additional 24 MW to be added at a future date.

STRATEGIC PLANNING, U.S. DEREGULATED ELECTRIC POWER MARKETS

In response to newly deregulated wholesale electric power markets and non-discriminatory transmission access, performed a study to determine future marketing opportunities for a non-regulated power producer. Study included a profit analysis by customer segment, analysis of competitive position in the generation market based on fuel type, and estimates of cash and book production costs.

COGENERATION PROJECT NEGOTIATIONS

Currently assisting four different U.S. West Coast and U.S. Gulf Coast refineries on developing new third-party gas-fired cogeneration facilities. Muse Stancil has developed Request For Proposal(s), assisted in competitive bidding processes with third-party project developers, evaluated bids, and negotiated the definitive agreements between the refinery company(s) and the success bidder(s). The project sizes range from 400-600 MW in generating capacity and 400,000 to 1,000,000 pounds of steam per hour.

POWER GENERATION FUEL UTILIZATION STUDY, MIDDLE EAST

Muse Stancil evaluated the technical and economic feasibility of substituting heavy fuel oil for a stabilized crude oil fuel for a portion of the existing electric generation capacity in a 5,000 MW government-owned electric power system.

INDEPENDENT ENGINEER, ARGENTINA

Muse Stancil served as the independent engineer for the unregulated subsidiary of a major U.S. investor-owned electric utility in the acquisition and upgrading of a 517 MW thermal electric power generation facility in Argentina.

REFINERY COGENERATION FACILITY

Evaluated the cogeneration options available to a U.S. Gulf Coast refiner in conjunction with the client's coker expansion and refinery upgrading project. Analyzed the potential cost savings and economics under different financing structures of wholly-owned and joint venture cogeneration plants employing different technologies to produce electric power, steam, and purified hydrogen for refinery usage.

PETROCHEMICAL

THAI PETROCHEMICAL INDUSTRY INSOLVENCY

Retained to assist with certain aspects of restructuring Thai Petrochemical Industry's (TPI's) debt. Analysis included an operational assessment, review of safety and maintenance practices, and analysis of business planning practices. Recommended improvements to Effective Planners Ltd., the court appointed planner for reorganizing debt.

FAIR MARKET ASSESSMENT OF A ROMANIAN PETROCHEMICAL COMPLEX

Provided an assessment of the fair market value of a large Romanian petrochemical plant based on the competitive petrochemical markets in Europe. This analysis examined the present worth of projected future cash flows based on historical performance of the facilities and their expected profitability as export facilities. A physical asset appraisal was also undertaken to provide an alternative basis for the fair market assessment.

POLYSTYRENE PLANT IN INDIA

Retained by the Overseas Private Investment Corporation (OPIC) to serve as the Independent Engineer on a grassroots polystyrene plant in India. Assessed technology, capital investment, operating expenses, environmental issues, and monitored the project schedule.

FEASIBILITY STUDIES OF MTBE PROJECTS

Conducted feasibility studies for MTBE projects in the U.S. and in the Middle East, including butane and methanol feedstock supply projections, an MTBE product demand forecast, and evaluation of available process technologies, including the offerings of UOP, ABB Lummus Crest Inc., Phillips Petroleum Company, and Snamprogetti S.p.A.

NATURAL GAS

ALASKA GAS PIPELINE

Retained by the Alaska Departments of Revenue and Natural Resources to analyze alternatives presented by prospective developers of the Alaska Gas Pipeline. Assessment of alternatives included evaluation of product market supply/demand, development of gas processing scenarios and development of input regarding prospective commercial terms for gas processing and product sales. Provided natural gas liquids pricing forecast advice and audited project financial models.

EVALUATION OF BOLIVIAN GAS PROCESSING AND GAS TRANSMISSION OPERATIONS

Assisted the government of Bolivia in the privatization of state-owned facilities. Assignment included technical assessments and valuations of gas gathering, gas processing, and gas transmission facilities, and determination of fair market value based upon income and comparable sales analyses.

NATURAL GAS PROCESSING FACILITY - PERU

Retained as the independent engineer for a project to install a gas processing facility, gas/liquid transmission lines, gas liquids fraction facilities, and gas liquids loading facilities near Pucallpa and Aguaytia, Peru. Activities included review of turnkey construction contracts, analysis of preliminary and final design documents, issuance of project status reports during fabrication and site installation, and site inspections during construction. MSC also provided an independent evaluation of plant performance in conjunction with final acceptance testing of the facilities.

TURKMENISTAN GAS PROCESSING

Performed a preliminary evaluation of the gas processing design, capital costs, and economics for an NGL recovery and fractionation facility and a condensate stabilization facility in the Republic of Turkmenistan.

NATURAL GAS STORAGE PROJECT

Performed preliminary engineering, capital cost estimates, and route selection for a natural gas storage project in California. Project scope included gas compression, dehydration, measurement, and pipelines. Provided technical support for environmental impact assessments.

PIPELINE AND TERMINAL

SAUDI ARABIAN FUEL OIL LOGISTICS

Evaluated economic and logistical aspects of proposed fuel oil movements in Saudi Arabia. Analysis included a review of available bulk plants, pipelines, and port terminal facilities; requirements for new facilities; and feasibility of product logistics.

U.S. PRODUCT PIPELINE LOGISTICS

Developed and currently maintain a detailed linear program model of the U.S. refined products pipeline distribution system. Model has been utilized to assist multiple clients with the evaluation of system expansions, capital investments, and tariff development.

ARGENTINE PRODUCTS TERMINAL

Inspected and evaluated, on behalf of a prospective buyer, the physical condition and operational capabilities of a privately-owned petroleum products terminal in Buenos Aires, Argentina. Facilities included product storage, utility systems, truck loading racks, and marine terminals.

SOUTH AMERICAN CRUDE OIL TERMINAL

Evaluated a crude oil terminal near Montevideo, Uruguay, and identified capital modifications needed to convert the system to an import/export terminal for both crude oil and heavy fuel.

EASTERN EUROPEAN PRODUCTS TERMINAL

Inspected and evaluated an Eastern European products terminal on behalf of a European client. Recommended necessary refinements to increase the capacity of the system and optimize operational aspects of the facility.

U.S. GASOLINE TERMINALS

Estimated the fair market value of two U.S. gasoline terminals in conjunction with U.S. Bankruptcy Court proceedings. Assets included light product storage tanks, barge docks, pipeline connections, and truck racks.

INSPECTORATE

Mr. Paul Beaullieu
Safeland Storage, L.L.C.
400 E. Kaliste Saloom Road, Suite 1300
Lafayette, LA 70508

May 31, 2007

Paul,

Concerning the development of the Angelina Tank Farm Facility in St. John Parish, I have a very bullish opinion of this project. To qualify this opinion, my background includes 27 years in the petroleum industry. I served as a Loss Control Representative for Goodhope Refinery in 1981, and then in Management / Business Development for E.W. Saybolt and Inspectorate America Corporation until the present. These are two major worldwide independent inspection companies that perform quantity and quality surveys of petroleum products for the petroleum industry.

I believe your storage facility will only start to fill the demand for additional liquid petroleum storage capacity that is presently in place in South Louisiana. I have worked in, and in conjunction with all the petroleum based storage facilities and refineries from Baton Rouge to the mouth of the Mississippi River. I have worked closely with a vast majority of the major oil companies / trading companies that move liquid petroleum cargo in this area. There has been an ever-increasing call for storage from these clients. I have asked, and always come up empty handed when inquiries were placed to the storage facilities about availability concerning storage for my clients.

With offshore crude oil production slated to increase by 700,000 to 800,000 barrels per day over the next five years, and the expansion plans of several major refineries in this area without a corresponding increase in their storage capacity for incoming and outgoing product, the demand for liquid petroleum storage will only continue to increase in the future. The shortage of liquid petroleum barges, sometimes used for temporary floating storage, has also been instrumental in the growing demand for land based liquid petroleum storage.

My daily conversations with these major oil companies / trading companies, only solidifies my opinion about the need for additional storage capacity here in South Louisiana, on the Mississippi River.

Please feel free to call if you need any additional information, or have any questions concerning this matter.

Best Regards

Sam Smedley

PETROLEUM STORAGE AND TERMINAL FACILITY STUDY

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PETROLEUM STORAGE AND TERMINAL FACILITY STUDY

Prepared for:
The Port of South Louisiana
171 Belle Terre Boulevard
LaPlace, Louisiana 70068

Prepared by:
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EXECUTIVE SUMMARY

Judge Joel T. Chaisson, Executive Director
Port of South Louisiana
171 Belle Terre Boulevard
LaPlace, Louisiana 70068

Dear Judge Chaisson:

We are pleased to present you with the results of our study regarding the proposed Petroleum Storage and Terminal Facility at a site on the Mississippi River within the jurisdiction of the Port. This Executive Summary section summarizes the key observations identified, but is not intended to be all inclusive and, therefore, should be read with the remainder of the report. Our study of this proposed facility consisted of the market analysis phase only and is not a complete feasibility study since it does not include the technical and financial phase.

We conducted our study by researching the existing petroleum industry, the existing terminal space, and the pipeline and transportation infrastructure in place. In addition, we have conducted extensive interviews with various personnel from the refineries and chemical plants along the Mississippi river. We interviewed these individuals to gauge their interest to use such a facility and to determine the demand for the proposed facility. Our research was limited to verbal and written information provided by others and, therefore, it may be inaccurate or skewed. Although we attempted to identify any inaccuracies, we provide no assurance on the representations made.

From our study we have identified certain factors associated with this project that must be addressed, and have listed them below:

- Configuration of the proposed facility must be determined.
- Infrastructure, such as available pipelines to transport the product must be obtained.
- Strengths and weaknesses of proposed location must be evaluated.
- Commitments from potential users must be evaluated.

This study was prepared solely for the internal use of the Port of South Louisiana in evaluating the proposed project and should not be used for any other purpose.

We appreciate the opportunity to assist the Port with the market analysis and we will be happy to assist with other phases should you feel it is necessary.

Sincerely,

KUSHNER LAGRAIZE, L.L.C.

Purpose of Feasibility Study

A feasibility study is done to provide an overview of primary issues related to an idea or concept. The study's primary purpose is to identify any areas that will enhance the idea or prevent it from being a success. The study should ultimately answer the question as to whether or not the idea makes sense. Because of this, a feasibility study is a logical first step for a business to take before entering into a new venture, because the study will allow them to assess the risk involved.

A complete feasibility study would include:

1. An analysis of the market.

2. Identification of the organization and technical issues.

3. The finance phase which attempts to identify the expected costs and revenues associated with such a project.

Our study of this proposed facility has focused on the market analysis phase only. After this phase is accepted, the next two phases should be considered.

Project Description

The Port of South Louisiana (the Port) is exploring new avenues to provide services and jobs to the communities located along its banks on the Mississippi River. Already the largest tonnage port district in America, the Port also owns the Globalplex Intermodal Terminal and is now considering providing support and assistance in the development of a petroleum storage facility on the Mississippi River within the Port's jurisdiction. The proposed facility could eventually be expanded to 10 million barrels, and beyond, if demand for the additional capacity is warranted.

Based on discussion with potential developers, the proposed terminal facility is intended to provide for the storage of crude oil to be used by area refineries, and for the storage, blending and processing of intermediates and refined petroleum products, by both these refineries and the many oil trading companies currently operating within the Port's jurisdiction (i.e., the parishes of St. John the Baptist and St. Charles and particularly along this approximately 50-mile stretch of the Mississippi River).

A successful terminal facility, which could serve as a model for this proposed facility, might be Houston Fuel Oil Terminal Company (see www.hfotco.com for additional information), located on the Houston ship channel. This 10M+ barrel facility has been in existence since 1979 and provides:

- Strategic location for major customer access.

- Facilities for blending, storage and moving of all types of residuals and crude oil products.

- Computer-controlled "in-line" blending capabilities.

Project Description (continued)

- Multiple docks and high-capacity pipelines for rapid high-volume transfers.
- Access to waterways, pipelines, rail and major highways.

Fortunately, there are similar geographic locations here within the Port's jurisdiction, and combined with the older, less-efficient storage facilities currently in operation here, there is a unique opportunity for a similar facility to experience the same level of success here on the Mississippi River.

Proposed Site

The most advantageous site for the proposed storage terminal would be one that affords:

- Proximity to the four major refineries within the Port's jurisdiction.
- Accessibility for the 20+ independent petroleum trading companies that presently utilize area products and facilities, and for the scores of others who may do so in the future.
- Sufficient river frontage to allow for the construction of ample vessel and barge docking facilities.
- Capabilities to efficiently interconnect to the major pipelines that supply crude oil to the area refineries as well as the major pipeline (Colonial) that daily transports over 100M gallons of refined petroleum products throughout the south and eastern U.S. (see www.colpipe.com for more information and Colonial's Pipeline System Map).
- Access to the major railroad carriers, Canadian National/Illinois Central and Kansas City Southern, which travel north-south and east-west throughout the country.
- Rapid access to major highways, U.S. Hwy. 61 and Interstate 10.

Market Analysis

Analysis of the market is the crucial and key first step, because the business idea should be substantiated, before moving forward.

Through market analysis, we have tried to obtain information about the viability of this project.

Our market analysis included interviews with potential users such as refineries, trading companies, and chemical plants along the river. These interviews are our primary research for this phase of the study. Other information regarding the market was compiled from pre-existing information from published sources and the internet.

Existing Refineries

The primary purpose of the proposed storage facilities would be to hold crude petroleum supplies to be used in the refining process. There are nine refineries located on the river between the mouth of the Mississippi River and Baton Rouge. Our interviews indicated that expansion of existing refineries is more likely than the construction of a new refinery. Therefore, we did not consider the effects that a new refinery would have on this project. The following four refineries are within 25 miles of the proposed site:

COMPANY	LOCATION	CAPACITY	RIVER MILE MARKER
Motiva	Norco	240,000	125.7
Valero (Good Hope)	Norco	260,000	125.7
Marathon Ashland	Garyville	275,000	140.2
Motiva	Convent	270,000	168.1

The remaining five refineries are much further in distance from the proposed Port's jurisdiction.

COMPANY	LOCATION	CAPACITY	RIVER MILE MARKER
Conoco Phillips (Alliance)	Myrtle Grove	280,000	62.5
Murphy Oil	Meraux	120,000	87
Chalmette Refinery	Chalmette	187,200	89.1
Placid Refining	Port Allen	48,500	231.7
Exxon	Baton Rouge	493,500	232

Each of the above refineries utilize multiple means for obtaining its petroleum supplies including pipelines, ships and barges and also possesses storage capacity for its raw and finished products.

Trading Companies

Currently, over 20 petroleum trading companies do business along the lower Mississippi River. These firms buy and sell both crude and refined products, often blending to add value and increase product utilization and profit. Some are major refiner-owned, most are independent. Some have their own storage facilities and still utilize outside storage, while most simply lease storage space and services from terminal facilities. Some of the larger trading companies include BP, Plains Marketing and Westport, to name a few. In all, nearly 30 trading companies do business within the Port's jurisdiction, with an estimated storage capacity of approximately 12 million barrels of crude.

Existing Storage Facilities

There are several existing terminal operations in Southeast Louisiana. The current storage capacity is approximately 61 million barrels of crude oil. Most of the petroleum stored is owned by the federal government as part of their strategic reserves and most of these supplies are stored in abandoned salt domes. The federal government has plans to increase the strategic reserves in the future, which could trigger the consideration of substantial additional storage capacity.

Below is a listing of terminals and storage capacity in the Southeastern Louisiana area.

SITE NAME	LOCATION	TOTAL BARRELS
LOOP, LLC	New Orleans	40,000,000
International Matex Tank Terminal	St. Rose	9,239,000
LBC PetroUnited, Inc.	Sunshine	1,800,000
Delta Terminal Services, Inc.	Harvey	1,600,000
Ergon St. James, Inc.	St. James	1,580,000
Petroleum Fuel & Terminal Co.	Garyville	1,550,000
International Matex Tank Terminal	Gretna	1,500,000
Petroleum Fuel & Terminal Co.	Port Allen	1,215,000
ST Services	Westwego	858,000
Vopak Terminal Westwego, Inc.	Westwego	776,000
Ergon Oil Purchasing	Baton Rouge	215,000
Motiva Enterprises, LLC	Kenner	215,000
Murphy Oil USA, Inc.	Meraux	105,000
Marathon Ashland Petroleum, LLC	Garyville	75,000
Marathon Ashland Petroleum, LLC	Garyville	69,000
Placid Refining Company	Port Allen	50,000
L & L Oil Co.	Port Fouchon	34,805
Exxon Company, USA	Baton Rouge	N/A
Mobil Oil Corporation	Chalmette	N/A
International Matex Tank Terminal	New Orleans	N/A
Westway Trading Corporation[1]	Port Allen	N/A
	TOTALS	60,881,805

Source: OPIS Petroleum Terminal Encyclopedia, 12th Edition 2001.
Note: Storage does not necessarily mean for crude oil, distillates are also stored.
N/A Did not list total capacity.

Each refinery has its own storage facility for raw, intermediate and finished products. Plans for additional terminals will also be built as Plains Marketing, Inc. has announced its intention to build a 2.9 million barrel storage site in St. James Parish. It is believed that this storage facility will be for the exclusive use of their refinery in Oklahoma.

[1] *Source: BSI Inspectorate, International Commodity Inspection Company.*

Existing Crude Oil Pipelines

Pipelines are the least expensive method to transport crude oil supplies to the various refineries. Most of the crude which comes in this area is from international oil producing countries. Much of the crude from these countries enters Louisiana via the LOOP (Louisiana Offshore Oil Port) where the crude is pumped from the LOOP pipeline to storage facilities in St. James Parish known as Sugarland.

Sugarland is comprised of several terminal storage facilities including the former DOE Terminal (which is owned by Shell Pipeline), Capline Terminal, Koch Terminal, and Ergon Terminal.

The crude arrives at each of these terminals via the LoCap pipeline system which is a 48" pipeline that receives oil from LOOP's field at Clovelly, Louisiana. Once at the Sugarland storage facilities, the various refineries will draw on their inventories from various smaller pipeline systems that lead to their refineries, including those in the Port's vicinity. Other refineries, such as those further south (Alliance, Chalmette, Meraux) retrieve their crude inventories from the CAM pipeline system which is a 24" pipeline that connects to the LOOP pipeline. Shell also has a 24" pipeline from LOOP, which supplies its refinery in Norco along with the Valero Refinery.

From the St. James terminal, there is a large pipeline system called Capline, which transports crude to various sites as far north as Illinois

Pipelines are the preferred means to transport product, as it is the least expensive means of transportation of these products. Barges and ships are also used but more expensive. The proposed site will need a pipeline system on the property in order for this project to maximize its potential users.

Petroleum Market

Worldwide energy consumption is projected to increase with much of the growth expected in countries with emerging economies. Consumption is projected to increase 2.0% per year until the year 2025. Energy consumption of countries with emerging economies will more than double by 2025. Demand in the United States is also high as we are still the largest consumer worldwide of energy.

The high demand has caused a tightening effect on crude oil supplies. Cost per barrel has increased significantly especially in 2005. These cost increases are also accompanied by the high demand for gasoline by U. S. consumers causing gasoline prices to increase significantly. On top of all of this, refinery capacity and production are strained due to recent natural disasters.

Feasibility of Port of South Louisiana Petroleum Storage Terminal

To determine the feasibility of a petroleum storage tank and terminal facility being built within the Port's jurisdiction, we interviewed a number of petroleum industry professionals from various companies to inquire about their interest in such a facility. We also interviewed several people from port facilities that currently have existing tank storage on their sites. Interviews and preliminary research indicate that an overwhelming consensus of interviewees believe there is a shortage of tank storage on the Mississippi River. Because of this, many of those interviewed expressed their opinion that a terminal developed within the Port's jurisdiction would be well received and their respective companies might be users of such a facility, however, none of those interviewed were currently willing to make any commitments to this project.

Distance from the facility was a major concern as is the cost to transport the product to the storage facility. A pipeline would be the least costly way to transport the crude while barging would be more expensive. Several sources indicate that barges are presently used to store substantial amounts of crude oil waiting refinement. The majority of the responses were that they would be interested in such a project provided there was pipeline access to and from the facility.

It was suggested by some of those interviewed that potential developers should seek commitments from companies in close proximity to the proposed facility. Marathon Ashland Refinery and Motiva--Convent refineries would be the closest plants to the proposed facility, and therefore, a logical first choice. The Marathon and Motiva representatives contacted said there would be advantages for their companies to use such a facility, especially a facility such as this with potential dockage. Both companies indicated that they were not yet willing to go on record to endorse such a facility.

Conclusion

We have identified certain risks factors associated with this project at this phase and have listed them below.

- The specific configuration of the proposed facility must be determined. Petroleum developers have discussed a facility which offers a wide range of storage capabilities including petroleum and other distillates. However, the configuration of the facility is dependant on the type of storage it is intended to be used for and must be established before cost and revenue can be projected.

- Pipelines, whether for crude, intermediate or finished products, will be needed. There are pipelines running throughout the Port's jurisdiction. These pipelines, however, are privately owned and their ability to be obtained has not been determined. Since a pipeline is the least expensive method to transport crude oil, we believe it is important that a pipeline system be obtained for the project to be successful. This would allow for the terminal to be competitive in its pricing.

Conclusion (continued)

- Crude storage would best be located in close proximity to a refinery user and should be supplied via pipeline which is the least expensive means of transporting. There are four refineries currently within the Port's jurisdiction within 25 miles of each other on the east bank of the river.

- Finished product could be stored but would require pipeline transmission to users. The Colonial pipeline is used to transport finished products, but it is a proprietary pipeline. Colonial Pipeline Company would have to be contacted and use of their pipeline negotiated if finished product is stored for future movement through Colonial.

- It is our understanding that tank storage facilities such as the proposed project are not built without commitments. International Matex Tank Terminal, Inc., a local company that specializes in these facilities, will only build a terminal if the customer has agreed to a minimum seven year lease.

Our market analysis indicated interest by several companies along the river, but since it is still in the planning phase no one was willing to commit at this time to a contract for the use of this facility. Considering the significant potential costs of building a facility of this type, it is our conclusion that developers seek potential users who are willing to commit to long-term use of the facility, such as three to five years. In addition, in order for the project to be viable from inception, infrastructure must be obtainable, such as dockage and pipeline connections for the receipt and transmission of crude and finished products.

Economic Impact Assessment

Proposed Angelina Tank Farm
St John the Baptist Parish, Louisiana

Prepared for:
Safeland Storage, LLC

PREPARED BY: BOB FOLSE
ECONOMIC & BUSINESS RESEARCH SERVICES

October, 2006

Introduction

This report prepared for Safeland Storage, LLC provides an assessment and forecast of the potential economic impact of a tank farm for storage, transfer and blending of advanced petroleum products to be built on the 435-acre former Angelina Plantation site in St John the Baptist Parish (the "Angelina Tank Farm").

The project which is presently in the design and engineering phase is projected to start construction in early 2007. Completion and initial operations are expected by the end of 2007, with full operational capacity being reached by the spring of 2008.

While initial storage capacity at start up will be 3.3 million barrels, long-term strategy calls for expansion to 10 million barrels at the earliest time feasible.

Methodology

The principal method used in this economic impact assessment is the input-output method based on the RIMS II model of input-output multipliers developed by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce.

RIMS II is based on an accounting framework called an I-O table. For each industry, an I-O table shows the distribution of inputs purchased and outputs sold. A typical I-O table in RIMS II is derived mainly from two data sources: BEA's national I-O table, which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table to show a region's industrial structure and trading patterns.

The RIMS II input-output multipliers adopted for this economic impact assessment, therefore, express the magnitude of the input/output relationships of a given industry, i.e., the industrial storage industry, with all industries located within a defined geographic region. For this assessment, the region of economic impact is defined as the River Parishes Region comprised of St John, St Charles, and St James.

It should also be pointed out that the input-output multipliers derived from the BEA impact model are based on an increase in production or output of the storage industry in this area expressed in constant dollars. Specifically, the impact multipliers applicable to the Safeland Storage tank farm project are as follows:

- **Total dollar impact in all linked industries of the increase in output in the storage industry = 1.3772 times the increase in storage industry output (assumed to be revenues or sales);**

- **Increase in earnings from increased employment in the storage industry as well as from increased employment in all linked industries = .4342 times the increase in storage industry revenues or sales;**

- **Increase in employment in the storage industry and in all linked or impacted industries = 13.0536 jobs per one million dollars of increased sales or revenues in the storage industry.[1]**

To the extent possible an effort was made to include estimates of economic impact specifically for St John Parish alone.

Underlying Assumptions

In a report of this nature certain general assumptions are adopted and underlie the estimates of economic impact presented. In addition, there are assumptions relating to specific calculations, findings, and forecasts that are noted in the text of the report.

Following are the general assumptions adopted for this economic impact assessment:

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[1] Typically, employment impact includes the creation of new jobs as well as the generation of economic support for the retention of existing jobs in all linked or impacted industries to varying degrees.

- **The statistical data provided are assumed to be valid for the purposes of this assessment of economic impact;**
- **Construction of the tank farm facilities and infrastructure will be completed as currently projected;**
- **Unless otherwise indicated, all dollar values used in this assessment are in constant (2006) dollar value levels;**
- **The land value of the Angelina Plantation site used in this report is an assumed value adopted for the purpose of estimating property taxes in accordance with standards employed by Louisiana assessors. As such, it does not necessarily reflect the property's market value.**
- **Unless otherwise indicated, the "total or overall economic impact" used in this report refers to the sum of all inter-industry or inter-business transactions linked to the operation of the tank farm, including all direct and indirect employment and earnings;**
- **Since the business organization that will develop and operate the tank farm is a limited liability corporation, revenues will not be subject to Louisiana corporate taxes. Therefore, no estimates are made of Louisiana taxes that can be potentially derived from the tank farm's revenues.[2]**

[2] The state, however, may realize some taxes from the personal or individual tax return filings of the investors in the limited liability corporation.

Table 1

Estimate of Economic Impact

Angelina Tank Farm

St John Parish, Louisiana

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall Economic Impact										
gross revenues	$ 20,000,000	$ 26,000,000	$ 27,000,000	$ 28,000,000	$ 67,000,000	$ 68,000,000	$ 70,000,000	$ 72,000,000	$ 88,000,000	$ 90,000,000
indirect impact	$ 7,544,000	$ 9,807,200	$ 10,184,400	$ 10,561,600	$ 25,272,400	$ 25,649,600	$ 26,404,000	$ 27,158,400	$ 33,193,600	$ 33,948,000
total economic impact	$ 27,544,000	$ 35,807,200	$ 37,184,400	$ 38,561,600	$ 92,272,400	$ 93,649,600	$ 96,404,000	$ 99,158,400	$ 121,193,600	$ 123,948,000
cumulative	$ 27,544,000	$ 63,351,200	$ 100,535,600	$ 139,097,200	$ 231,369,600	$ 325,019,200	$ 421,423,200	$ 520,581,600	$ 641,775,200	$ 765,723,200
Employment Impact										
total employment	35	40	40	40	50	50	50	50	55	55
management	10	10	10	10	10	10	10	10	10	10
operations	25	30	30	30	40	40	40	40	45	45
indirect employment	226	299	312	326	825	838	864	890	1,094	1,120
total employment impact	261	339	352	366	875	888	914	940	1,149	1,175
Earnings Impact										
direct earnings/annual payroll	$ 2,550,000	$ 2,961,250	$ 3,050,088	$ 3,141,590	$ 3,967,419	$ 4,086,441	$ 4,209,034	$ 4,335,305	$ 4,877,065	$ 5,023,377
indirect earnings	$ 6,134,000	$ 8,327,950	$ 8,673,313	$ 9,016,010	$ 25,123,981	$ 25,439,159	$ 26,184,966	$ 26,927,095	$ 33,332,535	$ 34,054,623
total direct & indirect earnings	$ 8,684,000	$ 11,289,200	$ 11,723,400	$ 12,157,600	$ 29,091,400	$ 29,525,600	$ 30,394,000	$ 31,262,400	$ 38,209,600	$ 39,078,000
cumulative	$ 8,684,000	$ 19,973,200	$ 31,696,600	$ 43,854,200	$ 72,945,600	$ 102,471,200	$ 132,865,200	$ 164,127,600	$ 202,337,200	$ 241,415,200

Overall Economic Impact

The total economic impact through the input-output multiplier effect in St John and the adjoining parishes[3] of the Angelina Petroleum Storage tank farm is projected at $ 27.5 million in 2008, its initial year of operation. However, as shown in Table 1, over the subsequent 9 years this facility's impact is projected to rise steadily with its increasing level of revenues and operations from $ 35.8 million in 2009 to approximately $ 124 million by 2017. Cumulatively, over the 10-year period, the Angelina tank farm will have a total economic impact of $ 765.7 million in St John and the River Parishes Region.

While direct employment of the tank farm is estimated at 35 to 40 in the early years of operations, the effect of its impact on all businesses in the region, as shown in Table 1, is expected to generate or support 226 to 326 indirect jobs. The number of indirect jobs is projected to reach a range of 800 to 900 by the 5th through the 8th year, and exceed the 1,000 level by the 9th year.

The tank farm's very large impact on indirect employment can be attributed primarily to the engineering, maintenance and related contract services which it will require.

Indirectly generated earnings are projected also to be of a magnitude similar to the very large indirect employment generated through the multiplier effect. In the early years of operation, indirect earnings should fall between $8 million and $ 9 million. However, by 2012, as the tank farm's revenues move to a much higher level, indirect earnings should parallel a major increase in its employment impact, as indicated in Table 1.

Average earnings in the early years for tank farm employees are estimated at $ 92,500 for managers and $65,000 for operations personnel (see Table 2). Indirect earnings, on the other hand, are

[3] Although the Angelina tank farm is to be located in St John Parish the impact, multipliers adopted for this assessment which were provided by the U.S. Department of Commerce estimate economic impact for the three parishes of St John, St Charles, and St James. This allows the effects of inter-industry transactions and secondary spending impacts to be more completely reflected in this assessment. However, it is estimated that approximately 92 percent of the direct and indirect impacts for employment and earnings should be realized in St John Parish.

Table 2

Estimated Louisiana Income Taxes from Direct & Indirect Employment Created by Angelina Tank Farm

State income taxes from direct earnings	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
management employment	10	10	10	10	10	10	10	10	10	10
average annual earnings #	$ 92,500	$ 95,275	$ 98,133	$ 101,077	$ 104,110	$ 107,233	$ 110,450	$ 113,763	$ 117,176	$ 120,692
state income tax	$ 20,260	$ 21,180	$ 22,530	$ 24,030	$ 25,380	$ 26,730	$ 28,080	$ 29,680	$ 31,230	$ 33,030
operations employment	25	30	30	30	40	40	40	40	45	45
average annual earnings #	$ 65,000	$ 66,950	$ 68,959	$ 71,027	$ 73,158	$ 75,353	$ 77,613	$ 79,942	$ 82,340	$ 84,810
state income tax	$ 22,375	$ 29,950	$ 30,750	$ 32,850	$ 46,600	$ 49,400	$ 52,320	$ 57,720	$ 68,985	$ 75,060
Total state income taxes	$ 52,455	$ 85,680	$ 88,830	$ 60,930	$ 97,580	$ 76,730	$ 71,930	$ 74,730	$ 80,055	$ 83,295
cumulative	$ 52,455	$ 108,135	$ 166,965	$ 227,895	$ 295,475	$ 366,205	$ 438,135	$ 512,865	$ 592,920	$ 676,125
State income taxes from indirect earnings										
number of indirect jobs created/supported	226	299	312	326	625	838	864	890	1,094	1,120
annual earnings from indirect employment	$ 6,134,000	$ 8,327,950	$ 8,673,313	$ 9,016,010	$ 25,123,981	$ 25,439,159	$ 26,184,966	$ 26,927,095	$ 33,332,535	$ 34,054,623
average earnings per indirect job	$ 27,133	$ 27,816	$ 27,759	$ 27,899	$ 30,468	$ 30,370	$ 30,315	$ 30,260	$ 30,476	$ 30,411
State income taxes from indirect earnings ##	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
# = Average annual earnings projected to increase by an average of 3 percent.										
## = average earnings fall below minimum level for state income tax										

estimated to increase within an average range of $27,000 to $31,000 over the 10-year forecast period.

State Tax Impact

Estimates of the tank farm's impact in terms of state tax revenues include the following:

- **Personal income taxes on earnings of the tank farm's management and operations personnel;**
- **Personal income taxes on earnings from indirect employment created or supported by the tank farm;**
- **State sales and excise taxes on taxable expenditures made from earnings by tank farm employees;**
- **State sales and excise taxes on taxable expenditures made from earnings of indirect employment created or supported by the facility.**

Tables 2 and 3A present these estimates of annual state taxes over the 10-year forecast period.

Annual state income taxes (Table 2) from tank farm employment are projected from the $ 50,000 - $ 60,000 range in the early years to more than $ 80,000 by the end of the forecast period. Cumulatively, these taxes are projected to reach some $ 676, 000 by 2017.

Indirect earnings from employment generated by the multiplier effect are assumed to not yield state income taxes since the average of $ 30,000 or less falls below the minimum taxable level.

State sales and excise taxes (Table 3A) on taxable expenditures by employees are estimated in the $ 35,000 – $ 45,000 range during the early years, increasing to the $ 70,000 level by the 10th year.

State sales and excise taxes on taxable spending by indirect employment are projected to grow from some $ 97,000 in the initial year to $400,000 in year 5 and to $548,000 by the 10th year.

Altogether, annual state sales and excise taxes potentially generated by the tank farm's impact are projected to reach more than $ 464,000 by the 5th year and more than $ 621,000 by the 10th year.

Table 3A

Estimate of State Sales & Excise Tax Impact Created by Angelina Tank Farm

State annual sales taxes from spending by direct employment	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total annual direct payroll:	$ 2,550,000	$ 2,601,250	$ 3,050,088	$ 3,141,590	$ 3,967,419	$ 4,086,441	$ 4,209,034	$ 4,335,305	$ 4,877,065	$ 5,023,377
Average annual earnings:										
Management	$ 92,500	$ 95,275	$ 98,133	$ 101,077	$ 104,110	$ 107,233	$ 110,450	$ 113,763	$ 117,176	$ 120,692
Operations	$ 65,000	$ 66,950	$ 68,959	$ 71,027	$ 73,158	$ 75,353	$ 77,613	$ 79,942	$ 82,340	$ 84,810
Taxable spending of direct earnings:										
annual earnings	$ 2,550,000	$ 2,601,250	$ 3,050,088	$ 3,141,590	$ 3,967,419	$ 4,086,441	$ 4,209,034	$ 4,335,305	$ 4,877,065	$ 5,023,377
estimated consumer expenditures @ 80%	2,040,000	2,369,000	2,440,070	2,513,272	3,173,935	3,269,153	3,367,227	3,468,244	3,901,652	4,018,701
estimated taxable expenditures @ 37%	$ 754,800	$ 876,530	$ 902,826	$ 929,911	$ 1,174,356	$ 1,209,587	$ 1,245,674	$ 1,283,250	$ 1,443,611	$ 1,486,920
State sales & excise taxes on taxable spending of direct earnings										
estimated taxable spending in Louisiana @ 95%	$ 717,060	$ 832,704	$ 857,685	$ 883,415	$ 1,115,638	$ 1,149,107	$ 1,183,590	$ 1,219,098	$ 1,371,431	$ 1,412,574
Louisiana sales & excise taxes generated @ 5%	$ 35,853	$ 41,635	$ 42,884	$ 44,171	$ 55,782	$ 57,455	$ 59,179	$ 60,954	$ 68,572	$ 70,629
State sales & excise taxes on taxable spending of indirect earnings										
total indirect earnings	$ 8,134,000	$ 8,327,850	$ 8,673,312	$ 9,016,010	$ 25,123,981	$ 25,439,159	$ 26,184,966	$ 26,927,095	$ 33,332,535	$ 34,054,623
estimated consumer expenditures @ 90%	$ 5,520,600	$ 7,495,155	$ 7,805,981	$ 8,114,409	$ 22,611,583	$ 22,895,243	$ 23,566,469	$ 24,234,385	$ 29,999,282	$ 30,649,161
estimated taxable expenditures @ 37%	$ 2,042,622	$ 2,773,207	$ 2,888,213	$ 3,002,331	$ 8,366,266	$ 8,471,240	$ 8,719,594	$ 8,966,723	$ 11,099,734	$ 11,340,190
estimated taxable spending in Louisiana @ 95%	$ 1,940,491	$ 2,634,547	$ 2,743,802	$ 2,852,215	$ 7,947,972	$ 8,047,678	$ 8,283,614	$ 8,518,386	$ 10,544,748	$ 10,773,180
Louisiana sales & excise taxes generated @ 5 %	$ 97,025	$ 131,727	$ 137,190	$ 142,611	$ 397,399	$ 402,384	$ 414,181	$ 425,919	$ 527,237	$ 538,659
State sales taxes on taxable purchases # by Angelina tank farm										
estimated annual taxable purchases	$ 250,000	$ 255,000	$ 260,000	$ 265,000	$ 271,000	$ 276,000	$ 282,000	$ 287,000	$ 293,000	$ 299,000
Louisiana sales taxes @ 4 %	$ 10,000	$ 10,200	$ 10,400	$ 10,600	$ 10,840	$ 11,040	$ 11,280	$ 11,480	$ 11,720	$ 11,960
Total state sales tax revenues generated	$ 142,878	$ 183,563	$ 190,474	$ 197,381	$ 464,020	$ 470,879	$ 484,640	$ 498,354	$ 607,529	$ 621,248
cumulative	$ 142,878	$ 326,440	$ 516,914	$ 714,296	$ 1,178,316	$ 1,649,196	$ 2,133,835	$ 2,632,189	$ 3,239,718	$ 3,860,966

Table 3B

Estimate of Local Parish Sales Tax Impact Created by Angelina Tank Farm

Local sales taxes on taxable spending of direct earnings	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
est % of taxable spending in St John Parish	72%	73%	74%	75%	76%	77%	78%	79%	80%	80%
est taxable spending in St John	$ 543,456	$ 639,867	$ 668,091	$ 697,433	$ 892,510	$ 931,382	$ 971,782	$ 1,013,768	$ 1,154,889	$ 1,189,536
est taxable purchases for tank farm operations	$ 250,000	$ 255,000	$ 260,000	$ 265,000	$ 271,000	$ 276,000	$ 282,000	$ 287,000	$ 293,000	$ 299,000
total taxable spending in St John Parish	$ 793,456	$ 894,867	$ 928,091	$ 962,433	$ 1,163,510	$ 1,207,382	$ 1,253,782	$ 1,300,768	$ 1,447,889	$ 1,488,536
St John Parish sales taxes @ 4.75%	$ 37,689	$ 42,506	$ 44,084	$ 45,716	$ 55,267	$ 57,351	$ 59,555	$ 61,786	$ 68,775	$ 70,705
taxable spending in other parishes	$ 211,344	$ 236,663	$ 234,735	$ 232,478	$ 281,845	$ 278,205	$ 274,092	$ 269,483	$ 288,722	$ 297,384
sales taxes from spending in other parishes #	$ 10,039	$ 11,241	$ 11,150	$ 11,043	$ 13,388	$ 13,215	$ 13,019	$ 12,800	$ 13,714	$ 14,126
Local sales taxes from indirect earnings										
estimated taxable spending in St John Parish - %	72%	73%	74%	75%	76%	77%	78%	79%	80%	80%
estimated taxable spending in St John Parish	$ 1,470,686	$ 2,024,441	$ 2,137,278	$ 2,251,748	$ 6,356,377	$ 6,522,855	$ 6,801,283	$ 7,083,711	$ 8,679,787	$ 9,072,152
St John Parish sales taxes @ 4.75%	$ 69,858	$ 96,161	$ 101,521	$ 106,958	$ 302,023	$ 309,836	$ 323,061	$ 336,476	$ 421,790	$ 430,927
taxable spending in other parishes	$ 571,934	$ 748,766	$ 750,935	$ 750,583	$ 2,007,909	$ 1,948,385	$ 1,918,311	$ 1,883,012	$ 2,219,947	$ 2,268,038
sales taxes from spending in other parishes #	$ 27,167	$ 35,566	$ 35,669	$ 35,653	$ 95,376	$ 92,548	$ 91,120	$ 89,443	$ 105,447	$ 107,732
Total Annual Local Sales Tax Impact from direct & indirect spending										
St John Parish sales taxes from direct spending	$ 37,689	$ 42,506	$ 44,084	$ 45,716	$ 55,267	$ 57,351	$ 59,555	$ 61,786	$ 68,775	$ 70,705
sales taxes from direct spending in other parishes	$ 10,039	$ 11,241	$ 11,150	$ 11,043	$ 13,388	$ 13,215	$ 13,019	$ 12,800	$ 13,714	$ 14,126
St John Parish sales taxes from indirect spending	$ 69,858	$ 96,161	$ 101,521	$ 106,958	$ 302,023	$ 309,836	$ 323,061	$ 336,476	$ 421,790	$ 430,927
sales taxes from indir spending in other parishes	$ 27,167	$ 35,566	$ 35,669	$ 35,653	$ 95,376	$ 92,548	$ 91,120	$ 89,443	$ 105,447	$ 107,732
total local sales taxes (St John & other parishes)	$ 144,753	$ 185,475	$ 192,424	$ 199,369	$ 466,053	$ 472,949	$ 486,755	$ 500,506	$ 609,726	$ 623,490
cumulative	$ 144,753	$ 330,228	$ 522,652	$ 722,021	$ 1,188,074	$ 1,661,023	$ 2,147,778	$ 2,648,284	$ 3,258,010	$ 3,881,501
St John Parish sales taxes	$ 107,547	$ 138,667	$ 145,605	$ 152,674	$ 357,290	$ 367,186	$ 382,616	$ 398,263	$ 490,565	$ 501,633
cumulative	$ 107,547	$ 246,214	$ 391,819	$ 544,493	$ 901,782	$ 1,268,969	$ 1,651,584	$ 2,049,847	$ 2,540,411	$ 3,042,044
sales taxes in other parishes	$ 37,206	$ 46,808	$ 46,819	$ 46,695	$ 108,763	$ 105,763	$ 104,139	$ 102,243	$ 119,162	$ 121,858
cumulative	$ 37,206	$ 84,014	$ 130,833	$ 177,528	$ 286,292	$ 392,055	$ 496,194	$ 598,437	$ 717,599	$ 839,457
# = assumed at an average local sales tax rate of 4.75 %.										

Table 4

Potential Property Tax Impact

Angelina Tank Farm

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assumed value of Angelina site #	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000
assessed value @ 10 %	$ 270,000	$ 270,000	$ 270,000	$ 270,000	$ 270,000	$ 270,000	$ 270,000	$ 270,000	$ 270,000	$ 270,000
projected value of tank farm improvements	$ 350,000,000	$ 336,100,000	$ 322,497,000	$ 309,182,000	$ 296,146,827	$ 283,382,228	$ 274,880,762	$ 266,634,339	$ 258,635,309	$ 250,876,249
tanks & bldgs	$ 330,000,000	$ 320,100,000	$ 310,497,000	$ 301,182,000	$ 292,146,827	$ 283,382,228	$ 274,880,762	$ 266,634,339	$ 258,635,309	$ 250,876,249
machinery/equipment/computers	$ 20,000,000	$ 16,000,000	$ 12,000,000	$ 8,000,000	$ 4,000,000	$ -	$ -	$ -	$ -	$ -
assessed value @ 15 %	$ 52,500,000	$ 50,415,000	$ 48,374,550	$ 46,377,314	$ 44,421,994	$ 42,507,334	$ 41,232,114	$ 39,995,151	$ 38,795,296	$ 37,631,437
Total assessed value of tank farm land & bldgs/tanks	$ 52,770,000	$ 50,685,000	$ 48,644,550	$ 46,647,314	$ 44,691,994	$ 42,777,334	$ 41,502,114	$ 40,265,151	$ 39,065,296	$ 37,901,437
Estimated value of inventories	$ 250,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000	$ 500,000,000
assessed value of inventories @ 15%	$ 37,500,000	$ 75,000,000	$ 75,000,000	$ 75,000,000	$ 75,000,000	$ 75,000,000	$ 75,000,000	$ 75,000,000	$ 75,000,000	$ 75,000,000
total assessed value of tank farm & inventories	$ 90,270,000	$ 125,685,000	$ 123,644,550	$ 121,647,314	$ 119,691,994	$ 117,777,334	$ 116,502,114	$ 115,265,151	$ 114,065,296	$ 112,901,437
St John Parish millage	$ 126.63	$ 126.63	$ 126.63	$ 126.63	$ 126.63	$ 126.63	$ 126.63	$ 126.63	$ 126.63	$ 126.63
total annual property taxes	$ 11,430,890	$ 15,915,492	$ 15,657,109	$ 15,404,199	$ 15,156,597	$ 14,914,144	$ 14,752,663	$ 14,596,026	$ 14,444,088	$ 14,296,709
cumulative	$ 11,430,890	$ 27,346,382	$ 43,003,491	$ 58,407,690	$ 73,564,288	$ 88,478,431	$ 103,231,094	$ 117,827,120	$ 132,271,209	$ 146,567,918

= Value shown is assumed to be the value used by the St John Parish assessor for the purpose of levying property taxes.

Notes: Above estimates are subject to plan of ownership and operation adopted for tank farm land, facilities and inventories (see report assumptions).

Local Parish Tax Impact

The impact of the Angelina Tank Farm at the local level in terms of government tax revenues consists of sales taxes on taxable spending by facility employees and by employees of businesses impacted in the three parishes of the River Parishes Region.

The predominant focus of taxable spending of earnings lies within St John Parish which is projected to capture an increasing share of taxable spending ranging upward from 72 percent to 80 percent over the 10 year forecast period (see Table 3B).

Combining spending by the facility's employees with spending by employees indirectly impacted produces estimates of annual sales taxes in St John Parish increasing from a level of $ 107,000 initially to almost $ 357,000 by the 5th year, and more than $ 500,000 by the 10th year. On a cumulative basis, the potential sales tax impact in St John Parish from taxable spending by employment related to the tank farm will amount to approximately $ 3 million over the 10-year forecast period.

Estimates of sales taxes from tank farm related spending in other parishes, as shown in Table 3, are in a range of $ 37,000 – $ 46,000 during the earlier years, reaching more than $ 121,000 by the end of the 10-year forecast period. Sales taxes generated by spending in other River Parishes (St Charles and St John) could reach a level of more than $ 839,000 over the 10 year period.

An estimate of property taxes generated directly by the tank farm is presented in Table 4.[4] As shown, the magnitude of the Angelina Tank Farm's very substantial economic impact on local government is evidenced by the property taxes on land, tanks, buildings, equipment, and inventories.

[4] The scope of property taxes considered was limited to the property taxes that could be potentially levied by St John Parish on the tank farm. As such, potential property taxes on personal residences of management and operational personnel in St John and other parishes were not included. In addition, the actual property taxes to be paid may vary depending on the assessed values adopted, the applicability of potential tax exemptions, the final structure of the financing for the tank farm, and other factors.

Based on standard assessment policies, practices, and current millage rates, verified with the St John Parish assessor's office, it is estimated that the Angelina tank farm will generate revenues of approximately $ 11.5 million in its initial year of operation. From the 2nd through the 5th year property taxes are estimated in the $15 million to $16 million range, then falling into the $14 million to $15 million range over the 6th through the 10th years, reflecting the effects of depreciating values of equipment, tanks, etc.

Over the 10-year forecast period, therefore, the Angelina tank farm can generate for St John Parish government as much as $146.5 million in new tax revenues to support its capital programs for infrastructure development, operating expenses, debt services, etc.

Table 5

Summary of Tax Impacts

Proposed Angelina Tank Farm

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
State personal income taxes from jobs created	$ 52,455	$ 55,080	$ 58,830	$ 60,930	$ 67,580	$ 70,730	$ 71,930	$ 74,730	$ 80,055	$ 83,205
State sales & excise taxes from spending of earnings	$ 142,878	$ 183,563	$ 189,474	$ 197,381	$ 464,020	$ 470,879	$ 484,640	$ 492,384	$ 507,529	$ 521,248
sub-total, state taxes generated	$ 195,333	$ 239,243	$ 248,304	$ 258,311	$ 531,600	$ 541,609	$ 556,570	$ 573,084	$ 587,584	$ 704,453
cumulative	$ 195,333	$ 434,575	$ 682,879	$ 942,191	$ 1,473,791	$ 2,015,401	$ 2,571,970	$ 3,145,054	$ 3,732,638	$ 4,537,091
St John Parish sales taxes	$ 107,547	$ 138,887	$ 148,605	$ 152,674	$ 357,280	$ 367,196	$ 382,616	$ 388,283	$ 400,865	$ 501,633
St John Parish property taxes	$ 11,430,890	$ 16,015,492	$ 15,857,109	$ 15,404,199	$ 15,156,597	$ 14,914,144	$ 14,752,662	$ 14,596,026	$ 14,444,038	$ 14,296,709
sub-total, St John Parish taxes generated	$ 11,538,437	$ 16,054,189	$ 16,002,714	$ 15,556,873	$ 15,513,887	$ 15,281,330	$ 15,136,278	$ 14,984,289	$ 14,834,663	$ 14,798,342
cumulative	$ 11,538,437	$ 27,592,626	$ 43,595,340	$ 59,152,183	$ 74,666,070	$ 89,747,400	$ 104,882,678	$ 119,876,967	$ 134,711,630	$ 149,509,972
Sales taxes from spending of earnings in other parishes	$ 37,206	$ 46,808	$ 46,819	$ 46,696	$ 108,783	$ 105,783	$ 104,139	$ 102,243	$ 119,162	$ 121,818
Total new tax revenues	$ 11,770,976	$ 16,340,209	$ 16,098,838	$ 15,861,880	$ 16,154,251	$ 15,928,702	$ 15,795,887	$ 15,669,616	$ 15,741,389	$ 15,924,612
cumulative	$ 11,770,976	$ 28,111,184	$ 44,210,022	$ 60,071,902	$ 76,226,153	$ 92,154,855	$ 107,950,842	$ 123,620,458	$ 139,361,847	$ 154,986,459

Summary of Tax Impact Forecast

Table 5 summarizes the forecast of tax revenues generated by the Angelina tank farm for state and local parish governments. Included are state income, sales and excise taxes based on the new earnings created by this facility, together with St John Parish sales and property tax revenues, and sales taxes that could be collected on taxable spending primarily in other River Parishes.

Based on the assumptions adopted for this report state taxes generated by the tank farm should fall within the $200,000 - $300,000 annual range during the first 4 years. Subsequent expansion of operations should push state tax revenues from the tank farm's impact to $500,000 and higher during the next 4 years, reaching the $700,000 level by the end of the forecast period.

On a cumulative basis the Angelina tank farm should produce an estimated $4.5 million in new state tax revenue over the first 10 years of its operation.

On the local parish level it is estimated that St John Parish could realize as much as $150 million from sales and property taxes over the 10-year forecast period of the tank farm's operations with property taxes comprising approximately 98 percent of the total.

State and local annual taxes combined, therefore, are projected to grow from a $12 million level to a range of $15 million to $16 million per year over 2008 – 2017. This would produce some $155 million over the 10-year forecast period.

Table 6		
Summary		
Estimate of Economic Impact		
Construction of Proposed Angelina Tank Farm		
Estimated construction costs:		
Phase I	$	150,000,000
Phase II	$	125,000,000
Phase III	$	45,000,000
Total	$	320,000,000
Total const cost adjusted for inflation	$	330,000,000
Economic impact of tank farm construction:(one time)		
Direct economic impact	$	330,000,000
Indirect economic impact	$	121,737,000
Total economic impact	$	451,737,000
Direct & indirect employment generated by construction:		2,981
Direct & indirect earnings generated by construction	$	89,496,000
average earnings	$	30,025
State & local parish tax revenues		
state income taxes on direct & indirect employee earnings ##	$	-
consumer expenditures from direct & indirect earnings in Louisiana	$	72,491,760
estimated taxable expenditures @ 37 %	$	26,821,951
state sales & excise taxes on taxable expenditures #	$	1,268,678
estimated taxable expenditures in St John Parish @ 72 % of total	$	19,311,805
St John Parish sales taxes on taxable expenditures	$	917,311
estimated sales taxes generated in other parishes	$	356,732
total direct & indirect state & local tax revenues from construction payroll	$	2,542,721
# = purchases of materials and supplies for construction of the tank farm		
are assumed to be exempted by the state's Enterprize Zone program		
administered by the Louisiana Department of Economic Development.		
## = average earnings fall below minimum level for state income tax		

Estimated Impact of Construction

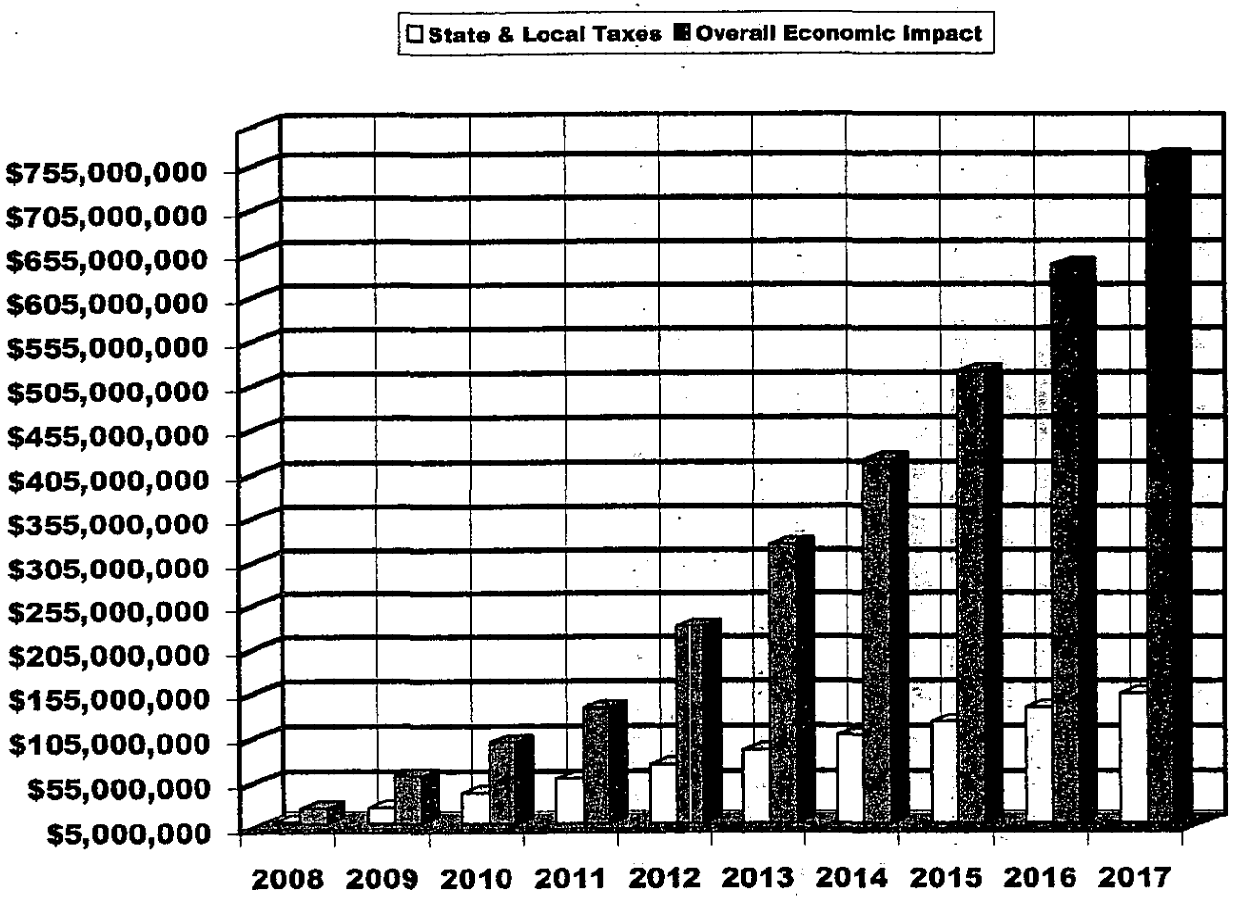
An estimate was prepared of the impact of the tank farm construction on the Angelina plantation site using the available cost estimates for infrastructure, tanks, buildings and ancillary facilities.

The duration of the tank farm construction impact is limited to the time period of construction which is presumably a one to two year period. Thus, it should be viewed as a one-time event without the recurring effects of the impact based on the tank farm's operations.

The estimate, as shown in Table 6, indicates that the projected construction cost of some $330 million will create an indirect impact of some $121.7 million in St John and the adjoining River Parishes (St Charles and St James). Almost 3,000 jobs in construction and related industries as well as in local retail and service businesses will be impacted by the tank farm construction project.

State and local tax revenues generated by construction total approximately $2.5 million. Sales tax revenues potentially realized in St John Parish from the spending of construction related earnings are projected at a level of $917,000 while other parishes could experience a sales tax impact of $357,000 from the tank farm construction.

Potential Cumulative Economic Impact
Angelina Tank Farm, 2008-2017



Economic Impact Summary

A graph accompanying this report illustrates the cumulative impact over a 10-year period of the proposed Angelina Petroleum Storage tank farm in St John the Baptist Parish. The bar graph illustrates the cumulative dollar value of all inter-industry and employment related activity, as well as state and local tax revenues associated with the tank farm's operations from 2008 through 2017.

On a more detailed level, the findings of the research conducted by this Consultant for Safeland Storage, LLC may be summarized in the following:

- **The tank farm's operations will stimulate approximately $10 million annually in added production, sales, etc among linked industries in the River Parishes Region over its first 4 years. This will include pipelines, refineries, utilities, barges, trucking lines, etc. By the 5th year, this increase in output and production created by the input-output multiplier effect will increase to annual level of $25 million, ranging upward to some $34 million per year by the end of the 10-year forecast period.**

- **Although direct employment created by the tank farm will produce only 35 to 55 jobs, its impact on other linked and supporting industries in the immediate region will generate another 200 – 300 jobs during the early years, increasing to a range of 800 to 1100 jobs as this facility expands to its forecasted potential;**

- **Average earnings of tank farm employment will equal or exceed overall average earnings in the River Parishes region at $ 65,000 for operations personnel and $ 92,500 for management. Average earnings for indirectly related employment are projected to increase within a range of $26,000 to $31,000 over a 10-year period. Total earnings in St John and the adjoining parishes related directly and indirectly to employment impacted by the tank farm over 10 years are projected at $241.4 million.**

- **Although certain potential tax impacts from the tank farm's operations could not be covered within the scope of this analysis, it was found that the tank farm will generate new state**

tax revenues primarily from personal income taxes and sales/excise taxes on earnings projected to range upward from $250, 000 annually to more than $700,000 annually over the first ten years of operation.

- **The tank farm will expand by a large measure the local tax base for St John Parish from the perspective of sales taxes which are projected to grow from the $100,000 - $200,000 range per year to the $400,000-$500,000 range near the end of the 10-year forecast period. In addition, depending on the assessed values adopted, the applicability of potential tax exemptions, the structure and nature of ownership established for the tank farm's operations, and other factors, as much as $11 million to $15 million in annual property taxes could be added to the sales taxes as new revenues for St John Parish.**

The foregoing summary covers the key findings and projections of this Consultant relative to the potential economic impact of the Angelina Tank Farm proposed for construction on the east bank of St John Parish.

APPENDIX

Resume of Bob Folse

Robert R. Folse, Jr

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EDUCATION:

1958-1961 Bachelor of Social Sciences, Loyola University, New Orleans, LA
1968-1969 Graduate program in urban studies, Tulane University, New Orleans, LA

EMPLOYMENT:

1977 - 2004

Director of Research, Metro Vision & The New Orleans Regional Chamber of Commerce; GNO, Inc.-

Responsible for economic development research, including economic base and demographic studies, comparative site location research for business expansions in manufacturing, warehousing, and office facilities in a 10-parish region; developed comprehensive databases for applications in business, economic and demographic research programs supporting regional economic development goals, including business retention and marketing for domestic and international business investments; research for cluster and target industry-based development strategies (see accompanying list of representative projects); economic impact and costs vs. benefits studies for a broad range of development projects including tourism-oriented facilities, manufacturing, distribution centers, "back offices";etc.

1975-1977

NY Associates, Inc - Metairie, LA; Burke Kleinpeter & Associates, New Orleans, LA; Delaureal & Moses, Inc, New Orleans, LA

Consultant to three large engineering firms for market research and feasibility studies of marina development projects, solid waste collection and transportation systems, and a cultural center project in the New Orleans region. Other research included evacuation and highway route planning for a hypothetical major hurricane striking the southwest Louisiana coast, and land use marketability of a 1,000 acre tract for a new planned community in Harvey, LA (Stonebridge)

1970 -1975

Vice-President, Urban Research Corporation

Partner in economic and business research firm serving private and public sector clients in Louisiana, Mississippi, Texas, Florida, Arkansas, Oklahoma, Minnesota, and New York. Responsible for all or major parts of research and program development for:

- Marketability of neighborhood business district redevelopment projects in City of New Orleans;
- Economic analysis and marketability of city-wide program for commercial, industrial, and residential redevelopment projects, City of New Orleans;
- Department store market analysis and branch location strategy in Mississippi and Florida;
- Industrial redevelopment project, Seward South area, City of Minneapolis, MN;
- Economic and demographic research for low-moderate income housing program, citywide model cities program, City of Minneapolis, MN.
- Rehabilitation, redevelopment and new construction needs of the housing inventory, Corpus Christi, TX Region Council of Governments;
- Rehabilitation, redevelopment and new construction needs of the housing inventory, State of Arkansas;
- Market research for planned retirement community and medical center in western New York (Buffalo) region.

1967- 1970

Senior Analyst, Larry Smith & Company

Assisted in the establishment of the New Orleans office of international business and real estate consulting firm. Partly or primarily responsible for research and program development for:

- **New Orleans Chamber of Commerce economic development** program (establishing the foundation for the Economic Development Council, 1970-1990, and subsequently, MetroVision, 1991-2002, and GNO, Inc 2003-present), including economic base analysis, industry trends, potential target industries for attraction, and overall marketing strategies;
- **Community Renewal Program**, City of New Orleans – comprehensive plan for residential, commercial, and industrial

renewal encompassing all neighborhoods and districts of the City of New Orleans (for City Planning Commission);

- **Economic and Land Use Marketability Studies**, Seward South Industrial Redevelopment Project, Minneapolis, MN (for Minneapolis Housing & Redevelopment Authority)- analysis of market absorption potential of replatted industrial parcels in blighted city industrial district by local and regional manufacturers and distributors; research included re-use appraisals of industrial redevelopment sites in the Seward project area;
- **Economic base studies and land use marketability** for downtown commercial, industrial and residential redevelopment projects in Muskogee, OK, and Lawton, OK;
- **Economic and land use marketability** research for residential, commercial, and industrial development of large land tracts in the **New Orleans region, the River Parishes area, and the Houma Metropolitan Area;**
- Regional market development and store branching strategy for major retail furniture/appliance chain, New Orleans, LA;
- Market research for suburban branch expansion of New Orleans department store chain;
- Market development and store branching strategy for major southeastern department store chain in the Gulf Coast region;
- Economic base research and analyses of industrial, commercial and residential markets in the Jackson, MS Metropolitan Area, including studies of retail and office space markets for downtown redevelopment projects;
- High-rise office space and hotel market research for Canal Place redevelopment project, New Orleans downtown riverfront;

1965-1967

Planning Coordinator for Community Action programs and City of New Orleans urban renewal comprehensive planning program, including planning for major residential rehabilitation and redevelopment projects in City's Lower 9th Ward Urban Renewal Area.

1962 – 1965

Principal Planner and Planning Manager, Planning Services, Inc.- city and regional planning firm, New Orleans, LA.

Responsible for preparation of comprehensive plans, including population and economic base studies and forecasts, land use plans, subdivision and zoning regulations, major streets plans, community facilities plans (schools, parks, cultural facilities, police/fire, libraries, etc.), and capital improvements

budgets. Communities for which comprehensive plans or major components were prepared and implemented include:

- St Bernard Parish, Louisiana;
- St Charles Parish, Louisiana;
- St John the Baptist Parish, Louisiana;
- City of Lafayette and Lafayette Parish, Louisiana;
- City of Crowley, Louisiana;
- City of Biloxi, Mississippi;
- City of Hattiesburg, Mississippi;
- State of Louisiana (demographic and economic base components in collaboration with LSU professors);

A representative list of other project experience with Planning Services, Inc includes::

- Land use, zoning and subdivision plans for large-scale multi-use developments in southeast Louisiana. Major projects included the 1,400-acre Elmwood Industrial Park, and the planned residential communities of Lake Forest (5,000 acres),New Orleans East (32,000 acres), and the Aurora – Tall Timbers area;

- Hypothetical origin & destination studies for simulated community land use and major street planning models - Slidell area and St Charles Parish, Louisiana;

1961 – 1962
Assistant City Planner, New Orleans City Planning Commission –

Responsible for land use and zoning studies for city growth areas in eastern and west bank sectors, and review process of land subdivision and rezoning applications.

Robert R. Folse, Jr (continued)

Summary of Representative Research Experience with New Orleans Regional Chamber of Commerce, the Economic Development Council, MetroVision, and GNO, Inc:
1977 – 2004

- Comprehensive economic development research for MetroVision marketing publications, prospect presentations, comparative site location studies, project economic impact and cost vs. benefit studies;

- Development of comprehensive databases on the local/regional levels, including in-depth data on major economic sectors, and clusters such as Oil & Gas, Tourism, Maritime/Port Related Industries; demographic trends and characteristics, available sites and building space for targeted industries marketing, regional economic base analysis, economic indicators of monthly and quarterly changes in activity levels for major sectors and clusters;

- Development of target industry prospect databases for existing industry retention and marketing of the region to new industry investments;

- Preparation of principal economic development marketing publications, i.e. ***The Factbook, Perspectives.***

- Comparative industry location advantages/disadvantages for targeted industries in the New Orleans region versus other competing locations in the south and U.S. (included detailed comparative costs analyses for land, building occupancy costs, transportation and market distribution costs, utilities, labor, etc.);

- Study of comparative advantages of City of New Orleans for manufacturing industries (in collaboration with Dr Itaka Horiba, Professor of Economics, Tulane University);

- Study of Transportation Cost Advantages for U.S – Central American Apparel Maquila Operations in the New Orleans region;

- Historical impact assessment of the Louisiana Superdome, 25th anniversary, 1975 – 2000;

- Economic impact projections for four Super Bowls held in New Orleans, LA, 1977 - 2002;

- Economic impact and costs/benefits analysis of Louisiana Tax Free Shopping Program for foreign tourists;

- Comparative market research and profiles of New Orleans and other NBA cities in support of local efforts to attract the Charlotte Hornets to New Orleans, including preliminary economic impact assessment;

- Employment projections and occupational demand analysis for New Orleans region industry clusters;

- Economic impact and cost/benefit research for determination of feasibility of state and local funding of major infrastructure capital grants and tax abatements for manufacturing, warehousing, transportation, and back office expansion projects by the following:

  - **Lockheed Martin (Manned Space Flight Division)**
  - **Northrop Grumann-Avondale Shipyard**
  - **Folgers Coffee**
  - **U.S. Filter Corp**
  - **Marathon – Epsilon Joint Venture**
  - **Rail & marine roll on/roll off terminal**
  - **New Orleans Cold Storage expansion**
  - **Service Zone Call Center**

Consulting Experience

1977 – 2004

- **Department store market analysis, downtown and branch expansion feasibility – Godchaux's and Krauss Co. Ltd, New Orleans, LA;**

- **Highest and Best Use, West Bank Tract, Harvey, LA**

- **Analysis of Market Potential for Motels, Restaurants, Automotive Retail Dealerships, and Business Parks at Interstate 10/Interstate 55 junction, LaPlace, LA.;**

- **Industrial user market research for investment in west bank oil/gas manufacturing & distribution facility, Jefferson Parish, Louisiana;**

- **Research and analysis of prospective deep-water port-oriented industries for Port of South Louisiana's marketing program, including development of a database of potential major corporate prospects;**

- **Economic base and demographics analysis of Cheyenne / Southeast Wyoming region for economic development strategic planning;**

- **Economic Impact Analysis of St Mary's Residential Training Facility, Alexandria, LA;**

- **St John the Baptist Parish Economic Outlook;**

- **Market Research & Analysis of Retail Development Potentials for East St John (St John the Baptist Parish), LA;**

- **Market Research & Analysis of Restaurant Development Potentials for East St John (St John the Baptist Parish);**

- **Economic impact analysis of planned business park for state funding of interstate highway interchange and access road, St Tammany Parish, Louisiana;**

- **Market Opportunities for Entertainment Service Industries in the East St John Area;**

- **Economic Impact Analysis of Southwest Louisiana Development Center, Iota, LA;**

- **Research and Impact Analysis for proposed River Pilots Maritime Training Complex, St Tammany Parish, LA;**

- **Economic Impact Assessment of Baumer Foods Manufacturing and Warehousing/Distribution Relocation to St John the Baptist Parish, LA;**

- **Comprehensive Marketing Prospectus for River Parishes Region and Port of South Louisiana (parishes of St Charles, St John, and St James);**

- **Economic Impact Estimate of Proposed Film Industry Studio Development in St John the Baptist Parish, LA;**

- **Market Opportunities for Entertainment Service Industries in East St John Parish, LA;**

- **Analysis of Development Potentials for Health Care Service Industries in East St John Area;**

- **Post Katrina Update of Economic Growth Outlook and Retail Market Development Opportunities, East St John Area;**

- **Economic Base Analysis & Forecast for St Bernard Parish Post Katrina Economic Recovery Plan ;**

- **Demographic research in support of application by Greater New Orleans Federal Credit Union for expansion of service area in New Orleans Metropolitan Area;**

- **Economic Impact Assessment of planned petroleum storage tank farm in St John Parish. Louisiana**

St. John the Baptist Parish

Office of the Parish President

NICKIE MONICA
Parish President

ADRIENNE LABAT
Planning & Zoning Director

NATALIE ROBOTTOM
Chief Administrative Officer

February 3, 2006

Andy St. Romain
Jones Walker
8555 United Plaza Boulevard
Baton Rouge, LA 70809

Re: Lots 3 & 4 of Angelina Plantation, St. John the Baptist Parish, Louisiana

Dear Mr. St. Romain,

The Parish of St. John the Baptist would like to confirm to you the current zoning classification and buffer requirements for the property referred to as Lots 3 & 4 on the preliminary "ALTA/ACSM Land Title Survey of Lots 3 & 4 of Angelina Plantation" located in Sections 1, 3, 4, 5, 71, 72, & 73, Township 11 South – Range 6 East, Mount Airy, St. John the Baptist Parish, Louisiana as prepared by Acadia Land Surveying, LLC, a copy of which is attached hereto and made a part hereof as Exhibit "A", being the same property shown as Exhibit D of Ordinance 89-71, adopted by the St. John the Baptist Parish Council on August 24, 1989 (the "Property").

Pursuant to Ordinance 89-71, the Property is currently zoned I-3 (Industrial-3), with the exception of that portion of the property across River Road which is currently zoned B-2 (Industrial Batture District).

The Property is subject to a buffer zone requirement of no greater than 600 feet where the Property abuts Residential-1 property, as per Ordinance 88-68 adopted July 28, 1988.

Sincerely,

Adrienne Labat

WETLAND DELINEATION

430+ Acres of the Former Angelina Plantation
Garyville, St. John the Baptist Parish, Louisiana

Prepared For:

Jones Walker Law Firm
Baton Rouge, Louisiana

August 2006
Ref. 028431-02 (4)

Prepared by:
Conestoga-Rovers & Associates

4915 S. Sherwood Forest Boulevard
Baton Rouge, Louisiana 70816

Office: 225-292-9007
Fax: 225-292-3614

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1.0 INTRODUCTION

1.1 GENERAL

This report is a presentation of data on the three diagnostic characteristics of wetlands under the jurisdiction of the U.S. Army Corps of Engineers for a 431.89-acre Site located on property of the Angelina Plantation in Garyville, St. John the Baptist Parish, Louisiana. This report was prepared by Conestoga-Rovers & Associates, Inc. (CRA) of Baton Rouge, Louisiana, for the Jones Walker Law Firm of Baton Rouge, Louisiana.

1.2 PURPOSE AND SCOPE

The purpose of this report is to present field data on the three diagnostic characteristics of wetlands and an opinion on the presence and potential extent of jurisdictional wetlands. Only the New Orleans District of the U.S. Army Corps of Engineers can make an official determination of wetlands or jurisdiction over property in St. John the Baptist Parish, Louisiana. This report was prepared in accordance with guidance found in the *Corps of Engineers Wetlands Delineation Manual* (U.S. Army Engineer Waterways Experiment Station 1987), and can be used by Corps of Engineers personnel in making a jurisdictional determination on the Site.

Wetlands are defined as "areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions" (40 CFR 230.3). The three diagnostic characteristics of wetlands are the soils, the vegetation, and the hydrology. Wetlands must exhibit hydric soils, a prevalence of hydrophytic vegetation, and periodic soil saturation. Each of these characteristics will be described for the Site; data from 36 sample locations are presented on data forms in Appendix A.

2.0 SITE DESCRIPTION

2.1 SITE LOCATION

The Site is located in Sections 1, 3, 4, 72, and 73, Township 11 South, Range 6 East, approximately 1 mile west of Garyville, St. John the Baptist Parish, Louisiana. It is located between Highway US 61 (Airline Highway) and the Mississippi River. The coordinates near the center of the Site are N30° 03' 53" W90° 38' 04." Figure 1 is a vicinity map that shows the location of the Site.

2.2 SITE DESCRIPTION

The Site is comprised of former farm fields that currently are fallow agricultural land with unconnected stands of bottomland forest at the north and south ends of the property. The Site is bordered to the north by the US 61 right-of-way, to the east by a drainage ditch and woodlands, to the southeast by small homes, to the south by the Mississippi River, and to the west by a single-family residence, an agricultural field, two large tailings ponds associated with an industrial aluminum production facility, and an automotive repair shop.

Local topography on most of the Site consists of broad flats that are on the natural levee of the Mississippi River. Elevations slope gently downward toward the north end of the Site. The manmade levee rises steeply above the landscape near the south of the Site, and between the manmade levee and the low-water mark of the river is batture, which is nearly level.

Numerous agricultural ditches cross the Site from northwest to southeast, feeding three large drainage ditches that cross from northeast to southwest. Two railroads cross the Site in an east-west direction. The Kansas City Southern Railroad crosses the northern third of the Site and the Canada Railroad crosses the southern third of the Site. A combined power line easement and utilities pipeline right-of-way crosses the Site south of and parallel to US 61. A gas and petroleum pipeline right-of-way is present north of and parallel to the Kansas City Southern Railroad easement. The Highway LA 44 (River Road) right-of-way is present in the south part of the Site, north of the levee. A power line easement and gas pipeline right-of-way crosses the Site north of and parallel to Highway LA 44. A large borrow pit is present in the batture.

Approximately 25% of the Site is forested, and stands are even-aged and young. Wooded areas from the Kansas City Southern Railroad south to LA 44 include shallow furrows that correspond to furrows on the fallow fields, indicating that the wooded

areas were in tilth prior to cessation of agriculture on the Site. Dense vegetation surrounds the borrow pit in the batture. Figure 2 is a Site plan that shows Site features and locations of sample points.

3.0 FIELD SURVEY

3.1 GENERAL

On January 3 and 4, 2006, CRA field personnel inspected the Site. Data were collected at 36 sample locations to characterize local habitats. Sample locations were chosen throughout the Site to represent large homogeneous areas and to define wetland/nonwetland boundaries. At each sample location, dominant vegetation species were recorded. Soil samples were collected and examined for identification and determination of hydric properties. Observations were made on hydrologic conditions. Photographs were taken to document Site conditions; copies are reproduced herein as Photographs 1 through 36 in Appendix B. The sample locations are shown on Figure 2.

3.2 PRELIMINARY DATA GATHERING

Prior to conducting fieldwork, CRA reviewed available mapped information to plan field work and to become familiar with the Site. Mapped information reviewed included the USDA parish soil survey, the local USGS 7.5-minute topographic map, the local National Wetlands Inventory data, and 1999 LIDAR contour data overlaid on infrared aerial photography from 1998 and 2004.

Additionally, CRA contacted the U.S. Department of Agriculture (USDA) Service Center in St. John the Baptist Parish to identify any wetland determinations made for the Site and to gather crop history data for the Site. Mr. Allen Bolotte, USDA Natural Resources Conservation Service (NRCS) of St. John the Baptist Parish, informed CRA that the NRCS has made no determinations for the Site. The Site has not been in agricultural production since at least 1990, as NRCS determinations were required for all farmed fields in the Parish beginning in 1990. Mr. Bolotte stated that when the Site was farmed, it was likely in sugarcane production because most of the Parish is in sugarcane production. Personnel at the USDA Farm Services Agency of St. John the Baptist Parish could not provide crop history data for the Site because crop history records are kept for only ten years after cessation of agriculture.

3.3 FIELD PERSONNEL

Field data were collected by Mr. Charles E. Jones and Mr. James H. Yung. Mr. Jones is a wildlife biologist with 15 years of experience performing wetland delineations and 18 years experience identifying vegetation. Mr. Yung is an environmental scientist with two years of experience performing wetland delineations. Data were reviewed by Mr.

David Marschall of CRA. Mr. Marschall is a wetland specialist with 26 years of experience delineating wetlands and working with the Section 404 regulatory program. Messrs. Jones, Yung and Marschall have received qualification training for the Corps of Engineers Wetland Delineator Certification Program.

4.0 SITE DATA

4.1 SOILS

The *Soil Survey of St. James and St. John the Baptist Parishes, Louisiana* (USDA Soil Conservation Service 1973) shows that the Site is mostly underlain by Sharkey clay; Sharkey silty clay loam; soils of the Sharkey association, frequently flooded, complex; Commerce silt loam; and soils of the Convent soils and Silty alluvial land, frequently flooded, complex (Figure 3). CRA collected soil samples to approximately 16 inches below ground surface. The depth of each sample was sufficient to determine changes in upper horizons and to observe field indicators of hydric soil. Soil samples were described and compared to descriptions and maps in the soil survey.

Soil field data are in general agreement with the soil survey. Soils of the Sharkey Series occupy much of the property between the manmade levee and US 61. Soils of this series are subject to rare or occasional flooding, with slopes less than one percent. The rarely flooded soils in this map unit are used for cultivated crops or pasture, and the occasionally flooded soils are usually woodlands. Small areas of Commerce silt loam and Mhoon silty clay loam were also observed. Soils of the Commerce Series are nearly level and occupy high local elevations on the natural levee. Soils of the Mhoon Series are level or depressional and occur at low elevations in the natural levee. Mhoon soils are common inclusions in both the Sharkey and Commerce soil map units.

Soils on the batture were not observed. According to the *Soil Survey of St. James and St. John the Baptist Parishes, Louisiana,* soils in the batture consist of the Convent soils and Silty alluvial land, frequently flooded, complex. Soils of this type are frequently flooded, subject to seasonal and daily fluctuations in the water table, and subject to scouring and deposition by the Mississippi River.

Sharkey soils, Convent soils, Mhoon soils, and Silty alluvial land are listed as hydric soils in *Soil Mapping Units and Hydric Soils Designations, Louisiana* (USDA Natural Resources Conservation Service 1995). Commerce silt loam is listed as a non-hydric soil.

4.2 VEGETATION

Vegetation observed at the Site ranges from facultative-upland to obligate-wetland plant species. A greater proportion of facultative and facultative-upland species was observed on the higher parts of the natural levee. Much of the natural levee is cleared and consists of fallow agricultural fields dominated by herbaceous species. In the few wooded areas, dominant trees include sugarberry, water oak, black cherry, sycamore,

Drummond red maple, and green ash. Dominant species in the midstory and understory include elderberry, Chinese privet, Japanese climbing fern, common greenbrier, and honeysuckle. Dominant herbaceous species in the fields include Bermudagrass, Johnson grass, thistle, flatsedge, and dewberry.

The northern part of the Site occurs at a slightly lower elevation on the natural levee and is dominated by facultative-wetland and obligate-wetland plant species. Dominant trees include Drummond red maple, sugarberry, green ash, American elm, and water oak. The understory almost exclusively consists of dwarf palmetto and southern cutgrass. Site observations suggest that wetlands occurring on the natural levee and the bottomland in the north part of the Site are part of the Live Oak Forest Community, described in *The Natural Communities of Louisiana* (Smith 1988).

The area between the manmade levee and the river is dominated by facultative, facultative-wetland, and obligate-wetland vegetation. Dominant species are short-lived pioneer species that experience rapid growth, including black willow, cottonwood, great ragweed, and muscadine grape. The batture is flooded periodically for a major portion of the growing season, and it receives new soil deposits with each flood. Site observations of dominant vegetation and local topography suggest that wetlands occurring in this area are part of the Batture Community (Smith 1988).

4.3 HYDROLOGY

Elevations on the Site range from 0 to 32 feet above NGVD, although these elevations include the manmade levee. Parts of the Site north of LA 44 occur at or below 8 feet above NGVD. Drainage is somewhat poor to poor, and flow is northward from the levee toward the backswamp. CRA observed significant modifications to natural drainage in the form of channelized agricultural ditches across most of the property. Maps of the Federal Emergency Management Agency (FEMA) National Flood Insurance Program show the northern half of the property and the batture in the 100-year floodplain (Figure 4). All other areas of the Site are in the 500-year floodplain, and are protected from the 100-year flood by levees, dikes, or other structures, which are subject to failure or overtopping during larger floods.

Most of the agricultural fields and wooded areas on the natural levee lacked wetland hydrology. However, CRA observed oxidized root channels in the upper 12 inches of soil and water-stained leaves in depressions near the southeastern corner of the Site. In the northern half of the Site, observations of wetland hydrology included inundation to a depth of 3 inches or more, saturation within the upper 12 inches of soil, water marks, sediment deposits, wetland drainage patterns, oxidized root channels in the upper 12

inches of soil, and water-stained leaves. CRA observed primary indicators of wetland hydrology in the batture, including drift lines, sediment deposits, and wetland drainage patterns.

5.0 FINDINGS AND CONCLUSIONS

5.1 FINDINGS

Data were gathered and observations were made at the 431.89-acre Site located in St. John the Baptist Parish, Louisiana. The findings include:

- Soils: Field observations indicate that the majority of the Site is underlain by soils of the Sharkey Series. Commerce silt loam and Mhoon silty clay loam were also observed on areas of the natural levee. The soil criteria for wetlands are met at 33 of the 36 sample locations.
- Vegetation: The Site is vegetated primarily by facultative and facultative-wetland plant species. Facultative-upland species occur in greater proportion on the cleared fields where modified hydrology is present, however, the vegetation criteria for wetlands are met at 34 of the 36 sample locations.
- Hydrology: The Site includes somewhat poorly to poorly drained flats of the natural levee that drain northward to forested swamp. Significant modifications to natural hydrology on the Site include narrow drainage ditches laid in a grid across the area south of the Kansas City Southern Railroad and north of LA 44.

5.2 CONCLUSIONS

All three diagnostic characteristics for jurisdictional wetlands were found on portions of the Site. These potential wetlands include most of the northern wooded areas of the Site, two depressions near the southeast corner of the Site, and the batture between the manmade levee and the low-water mark of the Mississippi River. Approximately 107.07 acres of the Site appear to meet the technical criteria for wetlands based on guidance in the *Corps of Engineers Wetlands Delineation Manual.*

According to the U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory, the wetlands at the north end of the Site are classified as palustrine, scrub-shrub, broad-leaved deciduous wetlands that are temporarily or seasonally flooded (Figure 5). A band of wetlands crossing the Site south of and parallel to US 61 is classified as palustrine, emergent, persistent wetlands that are seasonally flooded. This band of wetlands corresponds roughly to the power line easement and utilities pipeline right-of-way. Wetlands in the batture are classified as palustrine, scrub-shrub, broad-leaved deciduous wetlands that are seasonally flooded.

Construction or dredging in the area between the levee and the Mississippi River would require a Section 10 permit from the U.S. Army Corps of Engineers. Figure 2 shows hatched areas that correspond to potential jurisdictional wetlands identified on the Site.

6.0 REFERENCES

Bolotte, Allen, U.S. Department of Agriculture, Natural Resources Conservation Service, St. John the Baptist Parish, communication with James Yung of CRA, January 12 and 13, 2006.

Code of Federal Regulations, 40 CFR Part 230, Environmental Protection Agency Guidelines for Specification of Disposal Sites for Dredged or Fill Material," Vol. 45, No. 249, December 24, 1980.

Environmental Laboratory, *Corps of Engineers Wetlands Delineation Manual,* U.S. Army Engineer
Waterways Experiment Station, 1987.

National Flood Insurance Program, Flood Insurance Rate Map "St. John the Baptist Parish, Louisiana (unincorporated areas)," panel 220164 0175 C, Federal Emergency Management Agency, February 2, 1983.

Natural Resources Conservation Service, *Soil Mapping Units and Hydric Soils Designations, Louisiana,* U.S. Department of Agriculture, 1995.

Smith, L.M., *The Natural Communities of Louisiana,* Louisiana Natural Heritage Program, Louisiana Department of Wildlife and Fisheries, 1988.

Soil Conservation Service, *Soil Survey of St. James and St. John the Baptist Parishes, Louisiana,* U.S. Department of Agriculture, 1973.

U.S. Department of Agriculture, Farm Services Agency, St. John the Baptist Parish, communication with James Yung of CRA, January 13, 2006.

U.S. Fish and Wildlife Service, Wetlands Online Mapper, "Lutcher, Louisiana," http://wetlandsfws.er.usgs.gov/wtlnds, January 2, 2006. Based on National Wetlands Inventory data for USGS 7.5-Minute Topographic Maps "Lutcher, Louisiana," U.S. Department of the Interior, 1960, photorevised 1980, and "Reserve, Louisiana," 1960, photorevised 1981.

U.S. Geologic Survey, 7.5-Minute Series Topographic Maps "Lutcher, Louisiana," U.S. Department of Interior, 1960, photorevised 1980, and "Reserve, Louisiana," 1960, photorevised 1981.

All of Which is Respectfully Submitted
CONESTOGA-ROVERS & ASSOCIATES

James H. Yung

David G. Marschall

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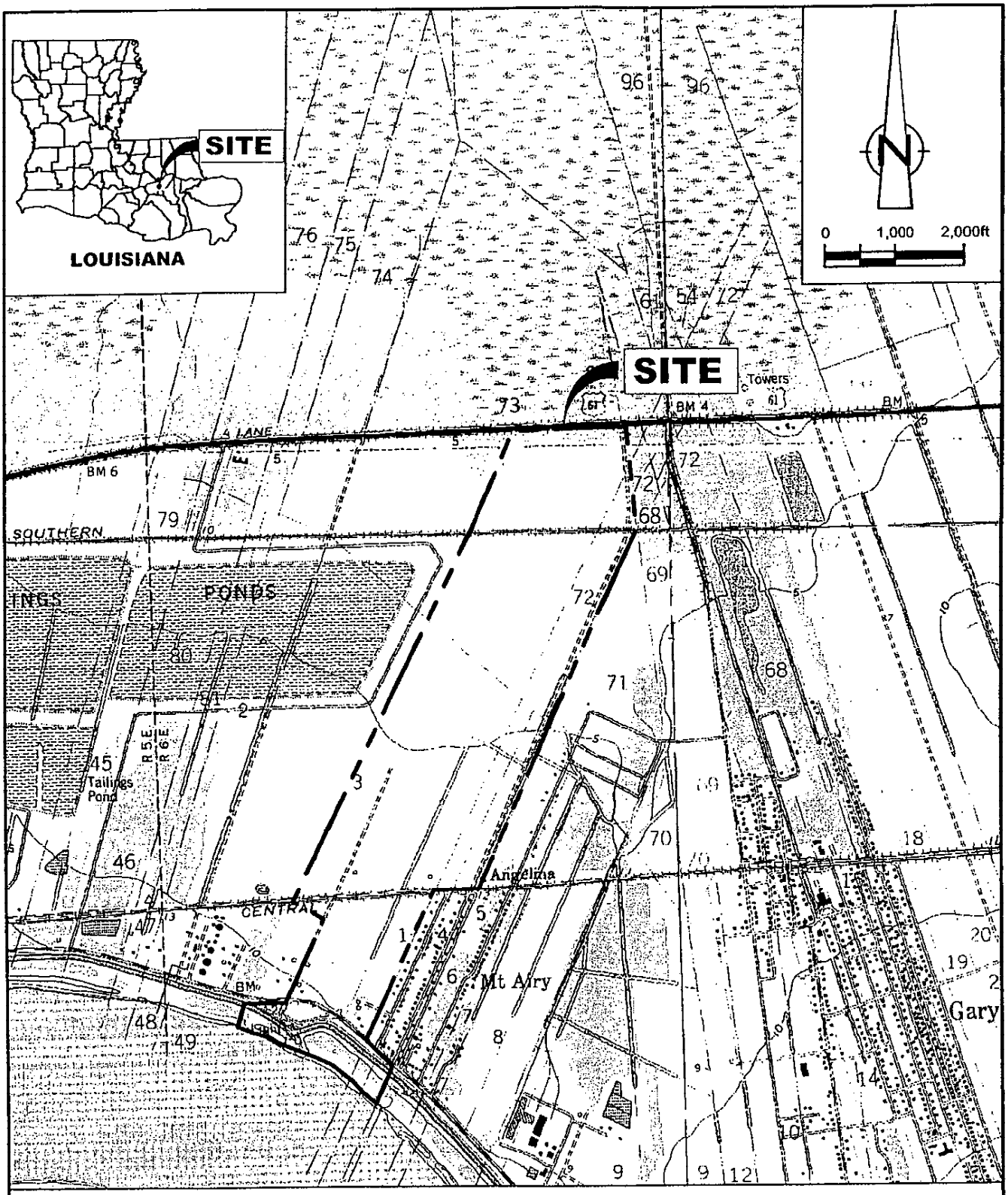


RE: USGS 7.5 MINUTE TOPOGRAPHIC MAPS, "LUTCHER, LOUISIANA," DATED 1960 PHOTOREVISED 1980 AND "RESERVE, LOUISIANA," DATED 1960 PHOTOREVISED 1981.

figure 1

VICINITY MAP
WETLAND DELINEATION
ANGELINA PLANTATION PROPERTY, GARYVILLE, LOUISIANA
Jones Walker Law Firm, Baton Rouge, Louisiana

28431-02(001)GN-BR001 JAN 13/2006

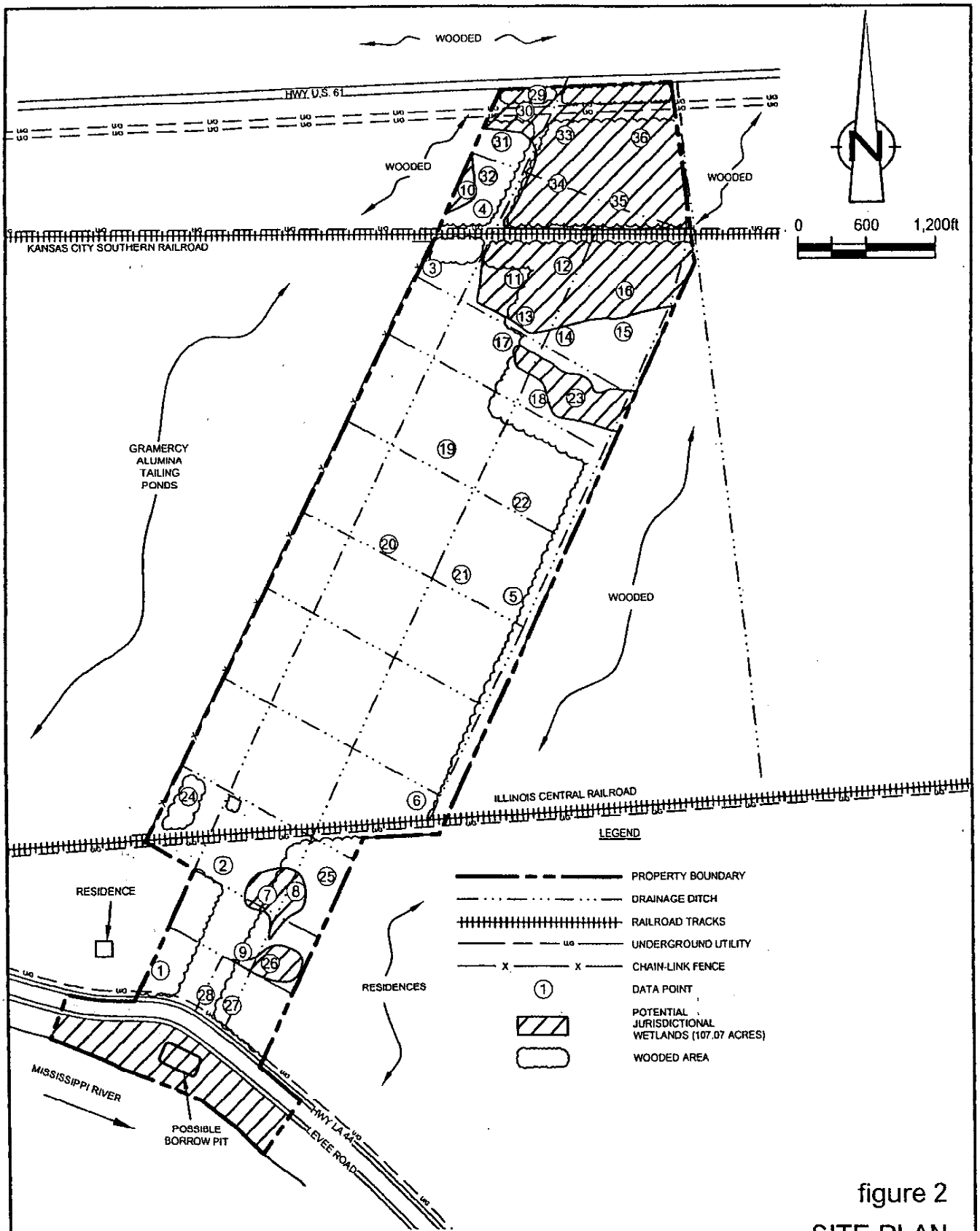
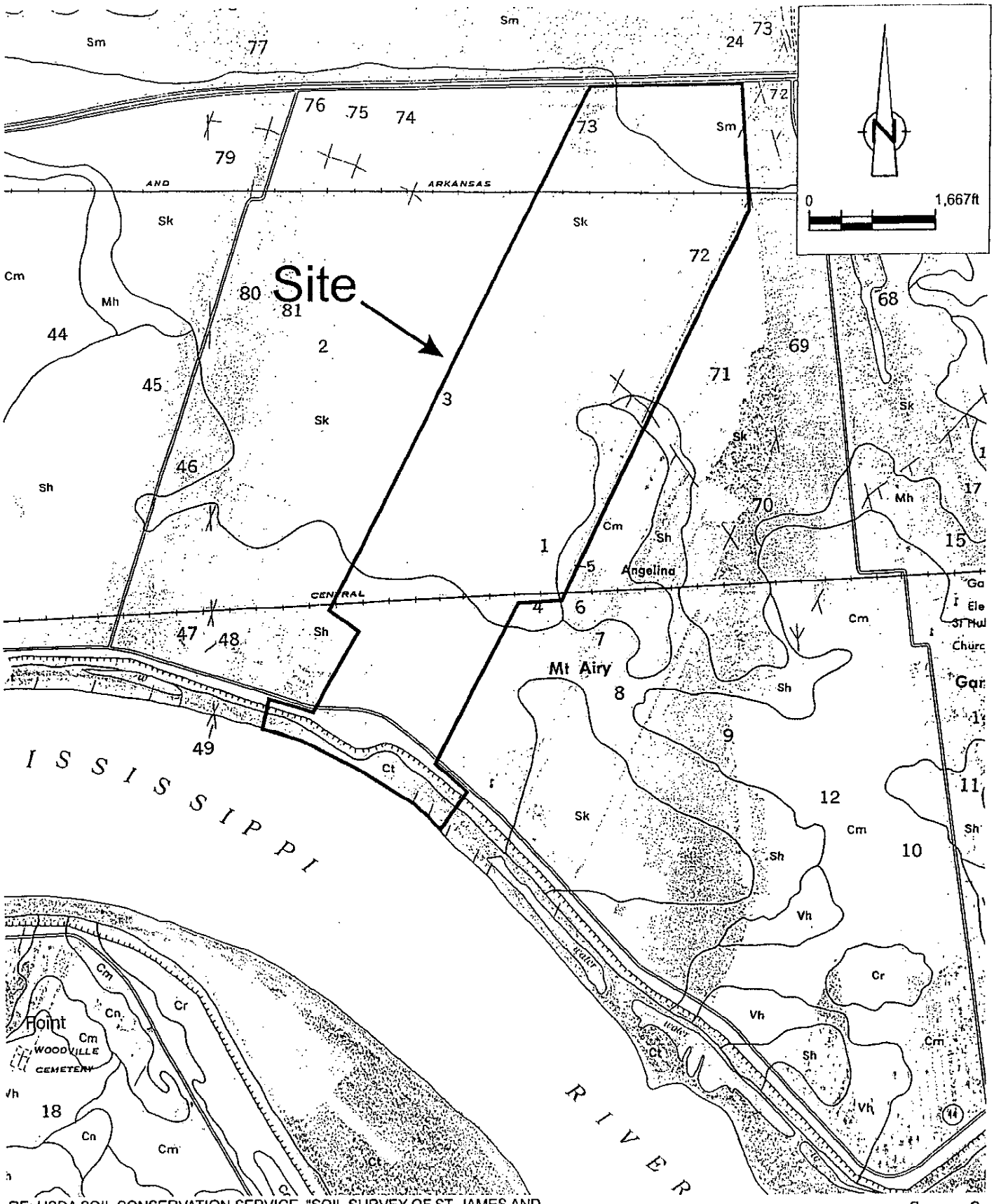


figure 2

RE: USGS 2004 AERIAL PHOTOGRAPH; CRA SITE VISIT JANUARY 3 AND 4, 2006.

SITE PLAN
WETLAND DELINEATION
ANGELINA PLANTATION PROPERTY, GARYVILLE, LOUISIANA
Jones Walker Law Firm, Baton Rouge, Louisiana

28431-02(001)GN-BR002 AUG 07/2006

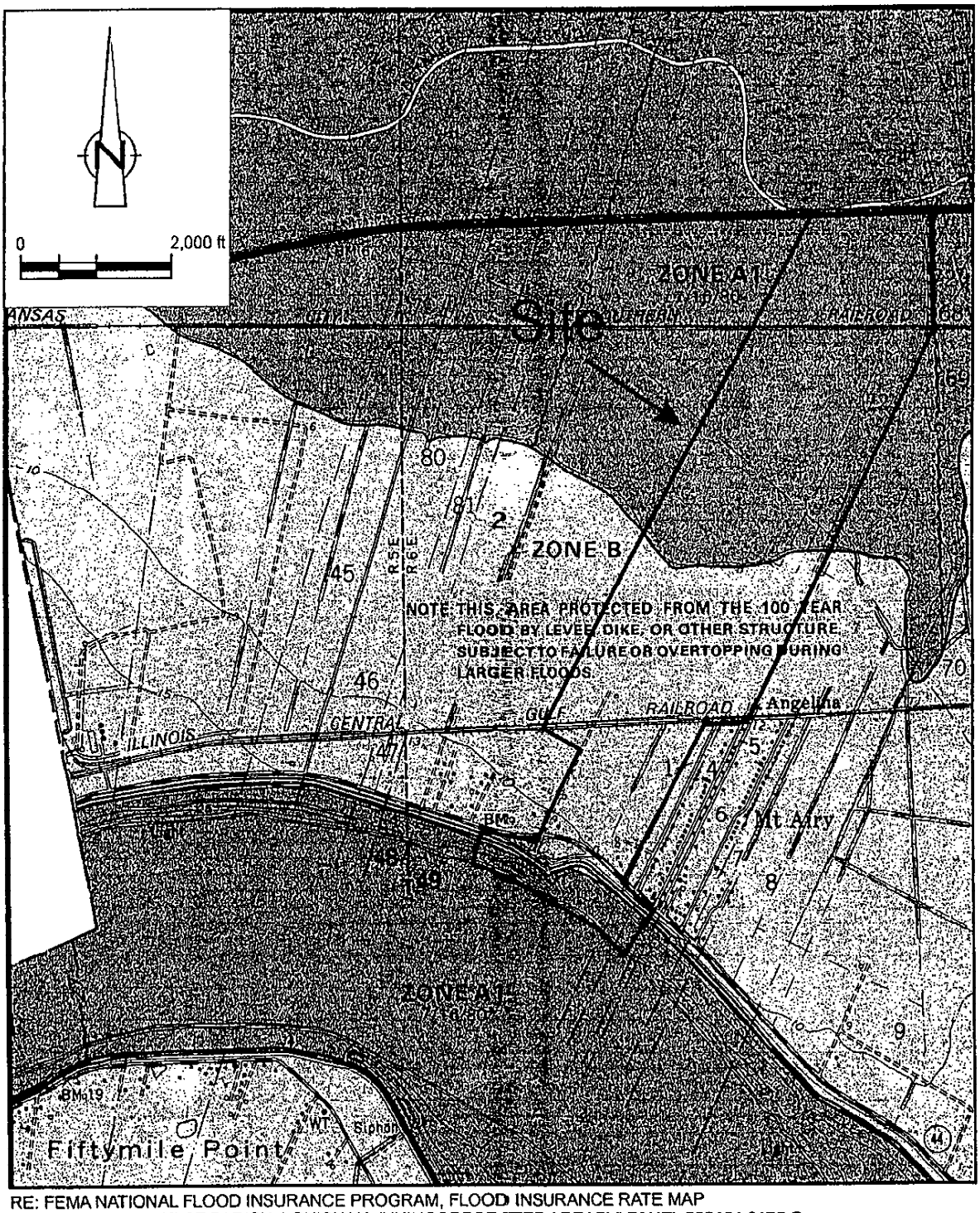


RE: USDA SOIL CONSERVATION SERVICE, "SOIL SURVEY OF ST. JAMES AND ST. JOHN THE BAPTIST PARISHES, LOUISIANA," SHEET 25, DATED 1973.

SITE BOUNDARIES ARE APPROXIMATE.

figure 3

SOIL SURVEY
WETLAND DELINEATION
ANGELINA PLANTATION PROPERTY, GARYVILLE, LOUISIANA
Jones Walker Law Firm, Baton Rouge, Louisiana



RE: FEMA NATIONAL FLOOD INSURANCE PROGRAM, FLOOD INSURANCE RATE MAP "ST. JOHN THE BAPTIST PARISH, LOUISIANA (UNINCORPORATED AREAS)," PANEL 220164 0175 C, DATED FEBRUARY 2, 1983.

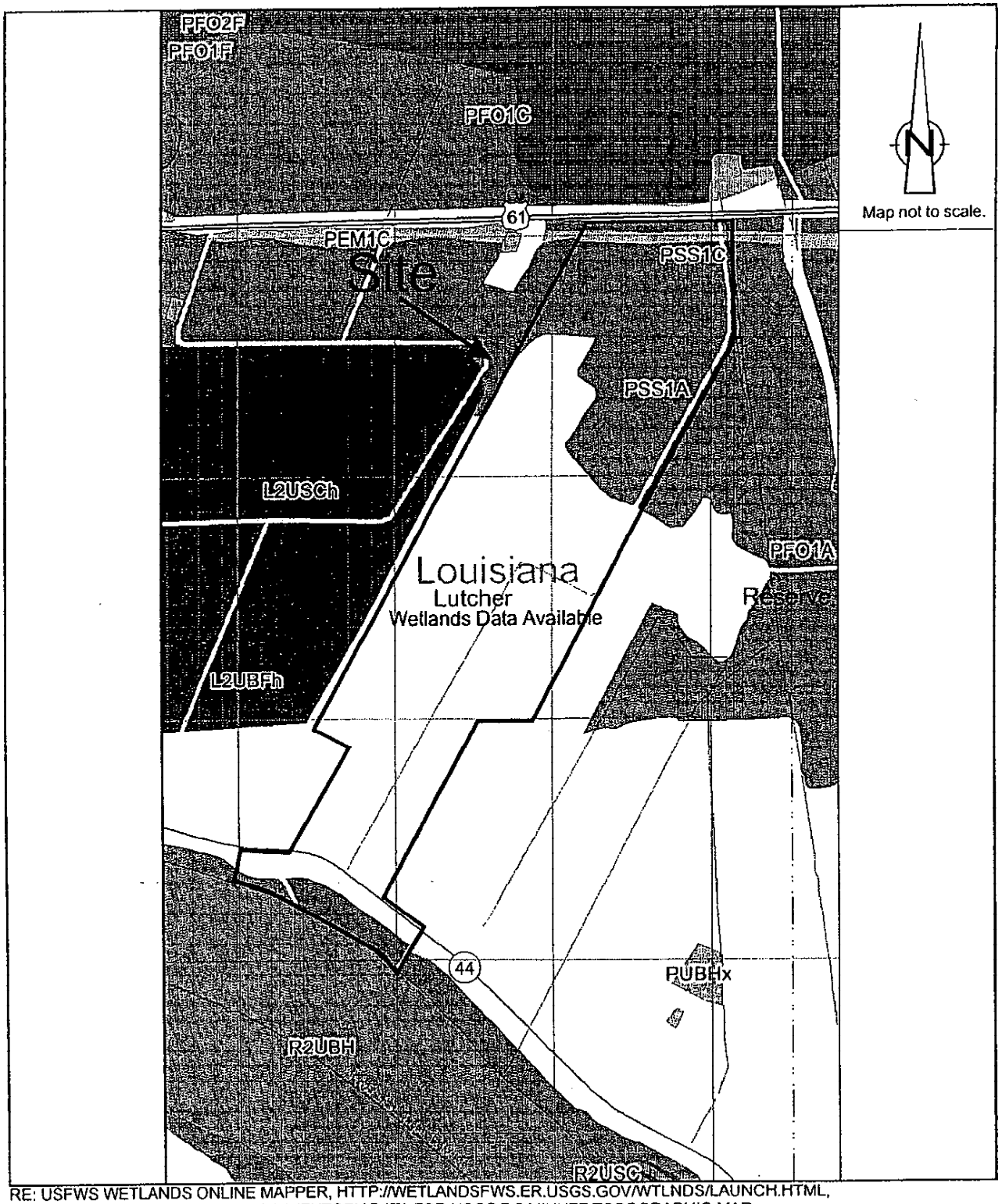
SITE BOUNDARIES ARE APPROXIMATE.

figure 4

FLOOD MAP
WETLAND DELINEATION
ANGELINA PLANTATION PROPERTY, GARYVILLE, LOUISIANA
Jones Walker Law Firm, Baton Rouge, Louisiana

CRA

28431-02



RE: USFWS WETLANDS ONLINE MAPPER, HTTP://WETLANDSFWS.ER.USGS.GOV/WTLNDS/LAUNCH.HTML, BASED ON NATIONAL WETLANDS INVENTORY DATA FOR USGS 7.5 MINUTE TOPOGRAPHIC MAP "LUTCHER, LOUISIANA," DATED 1960 PHOTOREVISED 1980.

SITE BOUNDARIES ARE APPROXIMATE.

figure 5

NATIONAL WETLANDS INVENTORY MAP
WETLAND DELINEATION
ANGELINA PLANTATION PROPERTY, GARYVILLE, LOUISIANA
Jones Walker Law Firm, Baton Rouge, Louisiana

URS

November 10, 2006

U.S. Army Corps of Engineers
P.O. Box 60267
New Orleans, Louisiana 70160-0267
CEMVN-OD-SS

Attention: Dr. John Bruza
Chief, Surveillance & Enforcement

Re: **Jurisdictional Wetlands Determination Request**
Former Angelina Plantation Property
St. John the Baptist Parish
Garyville, Louisiana
URS Job No.: 10000967.20002

Dear Dr. Bruza:

URS Corporation (URS), on behalf of Safeland Storage LLC, hereby requests a Jurisdictional Wetlands Determination for a four hundred and thirty (430) acre parcel of land in St. John the Baptist Parish near Garyville, Louisiana. The site is situated on the left descending bank of the Mississippi River between the River Road (LA Highway 44) and Airline Highway (US Highway 61). The subject property also includes the associated land on the batture from the water's edge to the Mississippi River Flood Protection Levee.

The enclosed Wetland Delineation Report identifies the areas which satisfy the Corps' wetlands criteria. The delineation work in the report was completed by Conestoga-Rovers & Associates (CRA) in August of this year and the report forwarded to URS in the preliminary project stages.

Should there be any questions regarding the information or data contained in the enclosed report, please contact me at (504) 218-0851.

Very truly yours,

URS Corporation

Jim LeBlanc
Senior Environmental Scientist
Environmental Division

JDL/mfm
Enclosure
Z:\ENVR\PROJECTS\Angelina Tank Farm\10000967 Environ Permitting\Corps Letter 11-10-06

URS Corporation
Executive Tower
3500 North Causeway Boulevard
Suite 900
Metairie, LA 70002-3527
Tel: 504.837.6326
Fax: 504.831.8860

State of Louisiana
Department of Wildlife & Fisheries
Post Office Box 98000
Baton Rouge, LA 70898-9000
(225) 765-2800

Kathleen Babineaux Blanco
Governor

Janice A. Lansing
Acting Secretary

Date	October 23, 2006
Name	Jim LeBlanc
Company	URS Corporation
Street Address	3500 N.Causeway Blvd.; Suite 900
City, State, Zip	Metairie, LA 70002
Project	DEQ Facility near Angelina, LA URS Job No.: 10000967.20002
Invoice Number	06102305

Personnel of the Habitat Section of the Fur and Refuge Division have reviewed the preliminary data for the captioned project.

Our database indicates the presence of bird nesting colonies within one mile of this proposed project. Please be aware that entry into or disturbance of active breeding colonies is prohibited by the Louisiana Department of Wildlife and Fisheries (LDWF). In addition, LDWF prohibits work within a certain radius of an active nesting colony.

Nesting colonies can move from year to year and no current information is available on the status of these colonies. If work for the proposed project will commence during the nesting season, conduct a field visit to the worksite to look for evidence of nesting colonies. This field visit should take place no more than two weeks before the project begins. If no nesting colonies are found within 400 meters (700 meters for brown pelicans) of the proposed project, no further consultation with LDWF will be necessary. If active nesting colonies are found within the previously stated distances of the proposed project, further consultation with LDWF will be required. In addition, colonies should be surveyed by a qualified biologist to document species present and the extent of colonies. Provide LDWF with a survey report which is to include the following information:

1. qualifications of survey personnel;
2. survey methodology including dates, site characteristics, and size of survey area;
3. species of birds present, activity, estimates of number of nests present, and general vegetation type including digital photographs representing the site; and
4. topographic maps and ArcView shapefiles projected in UTM NAD83 Zone 15 to illustrate the location and extent of the colony.

Please mail survey reports on CD to: Louisiana Natural Heritage Program
La. Dept. of Wildlife & Fisheries
P.O. Box 98000
Baton Rouge, LA 70898-9000

To minimize disturbance to colonial nesting birds, the following restrictions on activity should be observed:

- For colonies containing nesting wading birds (i.e., herons, egrets, night-herons, ibis, roseate spoonbills, anhingas, and/or cormorants), all project activity occurring within 300 meters of an active nesting colony should be restricted to the non-nesting period (i.e., September 1 through February 15).

- For colonies containing nesting gulls, terns, and/or black skimmers, all project activity occurring within 400 meters (700 meters for brown pelicans) of an active nesting colony should be restricted to the non-nesting period (i.e., September 16 through April 1).

After careful review of our database, no other impacts to rare, threatened, or endangered species or critical habitats are anticipated for the proposed project. No state or federal parks, wildlife refuges, scenic streams, or wildlife management areas are known at the specified site within Louisiana's boundaries.

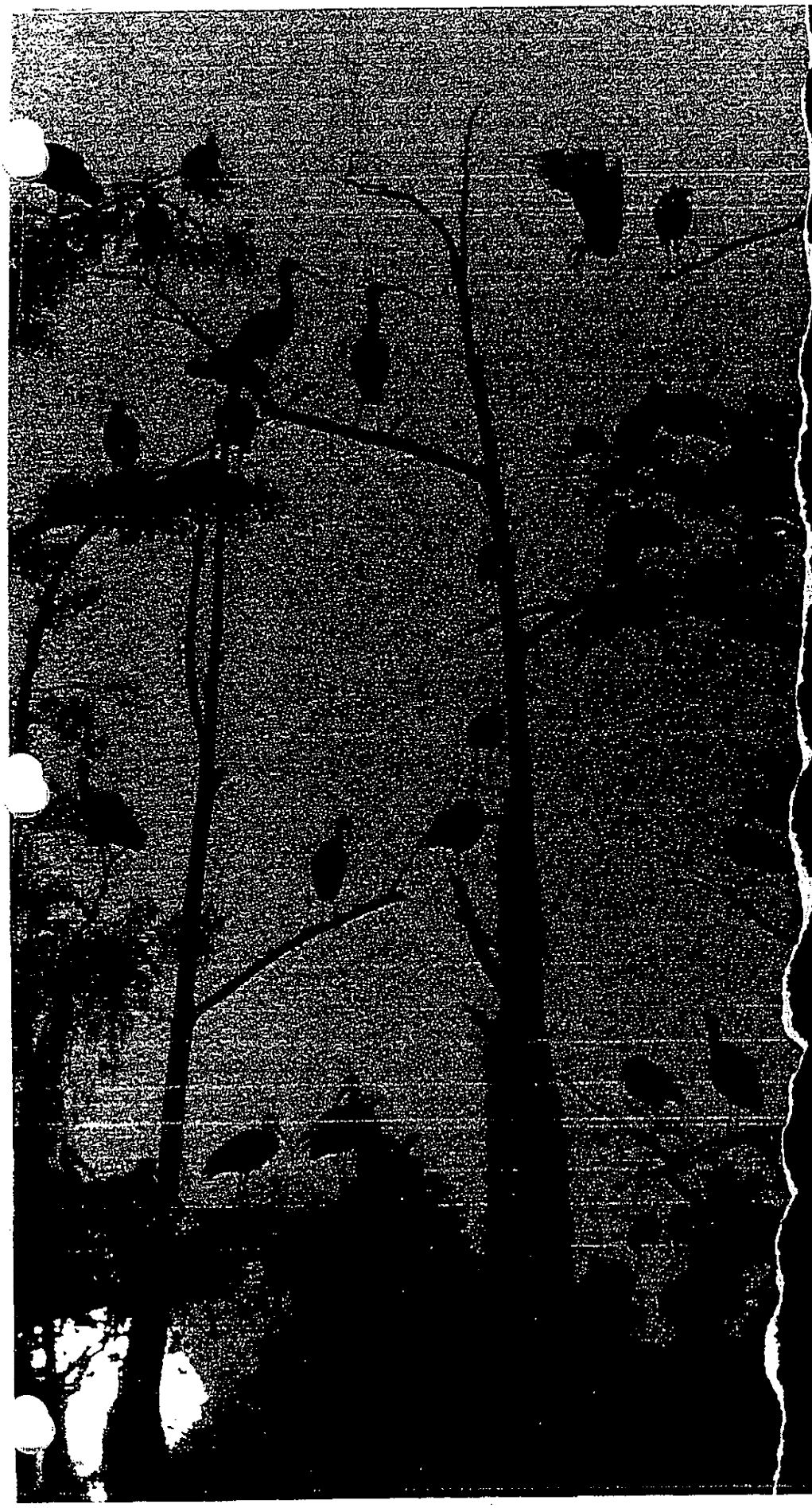
The Louisiana Natural Heritage Program (LNHP) has compiled data on rare, endangered, or otherwise significant plant and animal species, plant communities, and other natural features throughout the state of Louisiana. Heritage reports summarize the existing information known at the time of the request regarding the location in question. The quantity and quality of data collected by the LNHP are dependent on the research and observations of many individuals. In most cases, this information is not the result of comprehensive or site-specific field surveys; many natural areas in Louisiana have not been surveyed. This report does not address the occurrence of wetlands at the site in question. Heritage reports should not be considered final statements on the biological elements or areas being considered, nor should they be substituted for on-site surveys required for environmental assessments. LNHP requires that this office be acknowledged in all reports as the source of all data provided here. If at any time Heritage tracked species are encountered within the project area, please contact the LNHP Data Manager at 225-765-2643. If you have any questions, or need additional information, please call 225-765-2357.

Sincerely,

Gary Lester

Gary Lester, Coordinator
Natural Heritage Program

BEST COPY OF THE NEXT 02 PAGES



ATLAS AND CENSUS OF WADING BIRD AND SEABIRD NESTING COLONIES IN LOUISIANA 1990

by

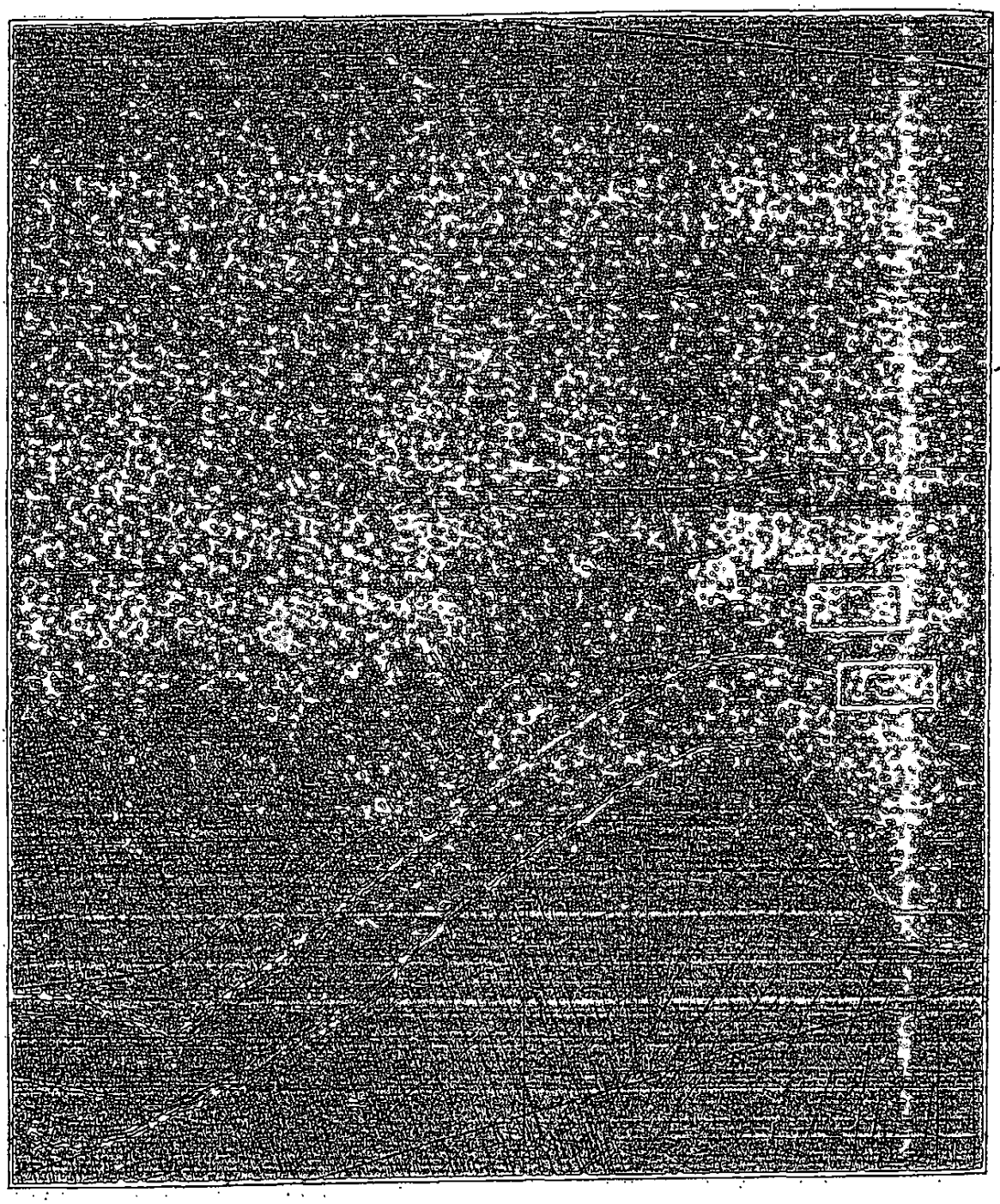
Richard P. Martin
and
Gary D. Lester

Louisiana Department
of
Wildlife and Fisheries

◇

Louisiana
Natural Heritage
Program

Lutcher



THIS IS ON THE SITE

Table 3. Continued.

LWHP Code	USFWS Code	Quad Name	Lat	Long	Survey Date	Site	Habitat	Nest	Species Composition	History 76	78	83	90
271		PASS TANTE PHINE	2914	8925	1990-04-30	1	1	2	TH,SE,GE	-	-	-	2
272	603030	PILOTTOWN	2914	8921	1990-04-30	1	1	1	GE,SE,LB	3	0	0	2
273		PILOTTOWN,VENICE	2915	8921	1990-04-30	1	2	3	TH,LB,SE	-	-	-	2
274		PONCHATOULA, PONCHATOULA NE	3023	9022	1990-04-25	1	1	1	GE,GB	-	-	-	2
275		LAKE MONGOULOIS	3010	9130	1990-04-24	1	1	1,2	LB,SE,GE,GB	-	-	-	2
276		MORGAN HARBOR	2950	8918	1990-04-30	3	2	5	FT	-	-	-	1
277		MORGAN HARBOR	2950	8918	1990-04-30	3	2	2,3	BC,RE,TH,SE,GE,PI	-	-	-	3
278		BLACK BAY SOUTH	2934	8934	1990-04-30	3	2	2,3	BC,TH,SE,GE	-	-	-	3
279	601006	LAKE NISERE	2955	9253	1990-04-26	1	1	1,2	AN,OC,BC,TH,SE,GE,GB,PI	4	2	0	3
280	603052	FREEMASON ISLAND	2949	8858	1990-06-13	4	3	4	BS	-	2	-	1
281		BRETON ISLANDS	2930	8910	1990-04-30	4	3	2,3	TH,SE,GE	-	-	-	0[d]
282	589020	LUTCHER	3005	9038	1990-04-25	1	5	1,2	TH,LB,CE,SE	5	2	0	4
283		BAY COQUETTE	2914	8933	1990-05-30	4	3	4	BS	-	-	-	1
284	603045	BASTIAN BAY	2917	8940	1990-05-30	4	3	4	LT	1	0	0	3
285		BAY RONQUILLE	2918	8951	1990-05-30	4	3	4	LT	-	-	-	2
286		CAMINADA PASS	2910	9005	1990-05-30	1	3	4	LT,BS	-	-	-	2
287		BURRWOOD BAYOU WEST	2856	8924	1990-05-30	3	4	4	BS	-	-	-	2
288		SOUTH PASS	2902	8912	1990-05-30	3	4	2,3	LG,LT,RT,BS	-	-	-	2
289		LAKE MONGOULOIS	3008	9130	1990-04-24	1	1	1,2	LB,SE	-	-	-	2
290		LAKE CHICOT	3003	9127	1990-04-24	1	1	1,2	AN,YC,LB,SE,GE	-	-	-	2
291		TORO	3120	9336	1990-05-25	2	5	1,2	CE	-	-	-	3
292		SALTER CREEK	3125	9339	1990-05-25	1	5	1	GE,GB	-	-	-	1
293		LAKE NISERE	2958	9252	1990-07-13	1	4	1,2	BC,TH,CE,GE,WI,RS	-	-	-	2
294		BEGGS	3041	9205	1990-07-13	1	1	1,2	YC,LB,CE,SE,GE,WI	-	-	-	6
295		WHITEVILLE	3048	9214	1990-07-13	1	1	1,2	AN,YC,LB,SE,GE	-	-	-	3
296	602045	GOLDEN MEADOW FARMS	2924	9014	1990-06-11	1	1,2	1,2	LB,CE,SE,GE,WI	4	0	0	0
297	602046	BAY DOSGRIS	2928	9004	1990-06-11	1	2	3,5	TH,SE,FT	4	4	0	1
298		PELICAN PASS	2910	9017	1990-06-11	3	2	3,5	BC,TH,RE,SE,GE,PI,LG,FT	-	-	-	2
299		PELICAN PASS	2911	9018	1990-06-11	3	2	2,3,5	BC,TH,SE,GE,LG,FT	-	-	-	2
300	602039	PELICAN PASS	2911	9019	1990-06-11	3	2	2,3,5	BC,TH,SE,GE,LG,FT	4	4	0	1
301	602038	PELICAN PASS	2911	9021	1990-06-11	3	2	2,3,5	BC,TH,LB,SE,GE,PI,WI,LG,FT	7	4	0	2
302		LAKE NISERE	2959	9357	1990-07-13	1	1,2	1,2	AN,TH,LB,SE,GE	-	-	-	4
303		BOUDREAUX LAKE	2957	9306	1990-07-13	2	1,2	1,2	TH,LB,SE,GE	-	-	-	2
304		GOLDEN MEADOW	2930	9018	1990-06-11	1	1,2	1,2	LB,CE,SE,GE,PI	-	-	-	1
305	601013	GRAND BAYOU	2946	9310	1990-05-30	1	3	4	LT	1	-	-	2
306	588001	CAMERON FARMS	3001	9330	1990-04-26	1	1	1	AN,GB,GE,OC	4	1	0	0
307	589021	SPANISH FORT	3003	9002	1990-04-30	1	5	6	LT	1	0	0	0
308	602059	JACKO BAY	2912	9023	1990-04-30	3	2			-	2	0	0

Table 4. Continued.

COLONY	TOTAL	BP	AN	OC	BC	YC	TH	LB	RE	CE	SE	GE	GB	PI	WI	RS	LG	FT	GT	LT	SN	RT	BS
279	750	0	0	75	0	0	150	0	0	0	40	340	0	150	0	0	0	0	0	0	0	0	0
280	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70
281	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
282	1000	0	0	0	0	0	0	200	0	700	100	0	0	0	0	0	0	0	0	0	0	0	0
283	75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75
284	500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	0	0
285	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0
286	475	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75	0	0	400
287	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200
288	325	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50	0	0	25	0	100	150
289	400	0	0	0	0	0	0	240	0	0	160	0	0	0	0	0	0	0	0	0	0	0	0
290	250	0	5	0	0	5	0	100	0	0	125	25	0	0	0	0	0	0	0	0	0	0	0
291	500	0	0	0	0	0	0	0	0	500	0	0	0	0	0	0	0	0	0	0	0	0	0
292	35	0	0	0	0	0	0	0	0	0	0	25	10	0	0	0	0	0	0	0	0	0	0
293	140	0	0	0	8	0	7	0	0	100	0	15	0	0	5	65	0	0	0	0	0	0	0
294	10000	0	0	0	0	5	0	2000	0	2000	1000	500	0	0	4500	0	0	0	0	0	0	0	0
295	855	0	5	0	0	5	0	150	0	0	150	550	0	0	0	0	0	0	0	0	0	0	0
296	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
297	50	0	0	0	0	0	30	0	0	0	20	0	0	0	0	0	0	0	0	0	0	0	0
298	200	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	50	50	0	0	0	0	0
299	200	0	0	0	0	0	100	0	0	0	0	50	0	0	0	0	0	50	0	0	0	0	0
300	50	0	0	0	0	0	30	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0	0
301	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0
302	2500	0	5	0	0	0	375	750	0	0	1250	125	0	0	0	0	0	0	0	0	0	0	0
303	500	0	0	0	0	0	50	100	0	0	300	50	0	0	0	0	0	0	0	0	0	0	0
304	100	0	0	0	0	0	0	0	0	0	20	80	0	0	0	0	0	0	0	0	0	0	0
305	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0
306-356	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

[a] Sooty Tern: 20 pairs in colony 083; Caspian Tern: 420 adults in colony 083 and 250 adults in colony 176.

[b] Data in the TOTAL column are an estimate of total colony size; numbers for individual species were calculated by extrapolation from the estimate of total colony size and relative species composition. Thus, the total column may not equal the sum of all species.

[c] Colony not surveyed during 1990; data are from 1985-1989 nesting seasons (see Table 3).

Table 2. Continued.

Column	Code	Explanation
Species		List of all species recorded nesting at site:
	BP	Brown Pelican
	AN	Anhinga
	OC	Olivaceous Cormorant
	BC	Black-crowned Night Heron
	YC	Yellow-crowned Night Heron
	TH	Tricolored Heron
	LB	Little Blue Heron
	RE	Reddish Egret
	CE	Cattle Egret
	SE	Snowy Egret
	GE	Great Egret
	GB	Great Blue Heron
	PI	White-faced and/or Glossy Ibis
	WI	White Ibis
	RS	Roseate Spoonbill
	LG	Laughing Gull
	CO	Common Tern
	FT	Forster's Tern
	ST	Sooty Tern
	GT	Gull-billed Tern
	LT	Least Tern
	SN	Sandwich Tern
	CT	Caspian Tern
	RT	Royal Tern
	BS	Black Skimmer
History		Size class of colony in 1976, 1978, 1983 and 1990:
	-	Colony not surveyed
	0	No nesting activity
	1	2 to 100 adult birds present
	2	100 to 500 adult birds present
	3	500 to 1000 adult birds present
	4	1000 to 5000 adult birds present
	5	5000 to 10000 adult birds present
	6	10000 to 15000 adult birds present
	7	over 15000 adult birds present

MITCHELL J. LANDRIEU
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION & TOURISM
OFFICE OF STATE PARKS

ANGÈLE DAVIS
SECRETARY

STUART JOHNSON, PH.D.
ASSISTANT SECRETARY

November 1, 2006

Mr. Eric Stack
Environmental Scientist
URS Corporation
3500 North Causeway Blvd., Suite 900
Metarie, LA 70002-8860

Re: URS Job No.: 10000967-20002

Dear Mr. Stack,

I am in receipt of your solicitation of views request for the project for a bulk terminal facility to be located near Angelina, Louisiana.

The Division of Outdoor Recreation in the Louisiana Office of State Parks administers the Land and Water Conservation Fund program for Louisiana. In this capacity we compile an inventory of recreational sites within the state for publication in the Statewide Comprehensive Outdoor Recreation Plan (SCORP) published periodically. The most recent SCORP was published for the period of 2003-2008 with an inventory developed in 2003.

Based on the information provided, there does not appear to be any conflict regarding this proposed project with existing recreational facilities identified in the most recent SCORP.

Sincerely,

Cleve Hardman
Director of Outdoor Recreation

STATE OF LOUISIANA
DEPARTMENT OF CULTURE, RECREATION AND TOURISM
OFFICE OF STATE PARKS
P.O. Box 44426
Baton Rouge, Louisiana 70804-4426

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URS

Mr. Eric Stack
Environmental Scientist
URS Corporation
3500 North Causeway Blvd., Suite 900
Metarie, LA 70002-8860

70002+3563-99 C040

URS

Date: 11-22-06
No known archaeological sites or historic properties will be affected by this undertaking. This effect determination could change should new information come to our attention.
Pam Breaux: Pam Breaux
State Historic Preservation Officer

October 26, 2006

State Historic Preservation Officer
Louisiana Department of Culture Recreation and Tourism
Office of Cultural Development
Division of Historic Preservation
Post Office Box 44247
Baton Rouge, Louisiana 70804

Attention: Miss Pam Breaux, State Historic Preservation Office

Re: **Database Search & Information Request**
Angelina, Louisiana
URS Job No.: 10000967.20002

Dear Miss Breaux:

URS Corporation (URS) is preparing applications from Louisiana Department of Environmental Quality (LDEQ) Environmental Permits for a proposed bulk terminal facility to be located near Angelina, Louisiana. Information that must be provided as part of the applications includes the following within the impact area of the project:

- Historic or culturally significant areas;
- Indian mounds or other archeological sites; and
- Antebellum houses.

The subject location is located in Township 11 South, Range 6 East near the community of Garyville in St. John the Baptist Parish. The area of interest is found on the eastern edge of the Lutcher, LA 7.5 minute USGS Quadrangle map between the Mississippi River and U.S. Highway 61. Enclosed is a USGS Quadrangle Map showing the border of the facility.

This letter serves to request a review of records for information on known sensitive elements, such as those listed above.

URS Corporation
Executive Tower
3500 North Causeway Boulevard
Suite 900
Metairie, LA 70002-3527
Tel: 504.837.6326
Fax: 504.831.8860

RECEIVED
OCT 27 2006
HISTORIC PRESERVATION

URS

State Historic Preservation Officer
Louisiana Department of Culture Recreation and Tourism
Office of Cultural Development
Division of Historic Preservation
Page 2

Please provide the results of the review addressed to:

Eric Stack
URS Corporation
3500 N. Causeway Blvd., Suite 900
Metairie, Louisiana 70002

If there are any questions I can be reached at (504) 837-6326 or by e-mail at eric_stack@urscorp.com.

Very truly yours,

URS Corporation

Eric Stack
Environmental Scientist

EMS/mfm

Enclosure

Z:\ENVR\PROJECTS\Angelina Tank Farm\10000967 Environ Permitting\IT Questions\LA CRT Historic Correspondence.doc